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Sales Management

The Weekly Magazine for Marketing Executives



Horace E. Dodge

*President, Horace E. Dodge Boat & Plane Corporation,
New York City*

Dodge Starts World Program to Sell
Motor Boats by Motor Car Methods



How Five Big Firms Share
Profits with Executives



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WHEN RIP VAN WINKLE awakes there was no sound leaping geysers beneath the manhole cover at Morse avenue and Ashland boulevard. Nor is there record that such a phenomenon existed at the time of his return. It is all that RIP VAN WINKLE had to do with the story and admittedly is little enough.

But let us consider the case of HENRY DHULE, who was born at Morse avenue and grew to manhood there, lulled to sleep from his earliest infancy by the rushing waters of the subterranean cataract.

At first the causes of this convulsion of nature did not concern Mr. DHULE. Sufficient for him to sit on the curbstone of an evening after a heavy rain and wait for the manhole cover to blow off with an accompanying snort that could be heard for miles. It was a pleasing thing—particularly inasmuch as only favored souls in the immediate neighborhood had ever heard about the performing manhole and strangers always contrived to be about whenever an explosion occurred.

Later Mr. DHULE discovered that such recurrent cataclysms were not common to other manhole covers in Rogers Park and he wondered why adjoining districts should have been neglected by the manhole department when the distribution of these interesting devices was ordered.

His parents and other parents showed no such sympathetic regard for the misfortunes of their neighbors. Instead, they debated loudly and to no good purpose concerning what they called "a public nuisance."

"The roar of that sewer keeps everybody awake all night," they declared. Mr. DHULE could not see

down forming

He was Mr. DHULE across his mouth in displayed

WHAT

I been h what's wro plied the a

POSITION Without Premium DOMINANCE Within Reason

Ordinarily the price of preferred position is disturbingly dear—the cost of advertising dominance is prohibitive.

In Midweek—low rate, generous editorial allotment and small page size combine to offer every advertiser in its pages clear, uncrowded place—and the user of page units a dominance unattainable in other media at many times the cost.

Add to these the attention value of color available in even the smallest units and you have an opportunity for distinctive, forceful advertising it will pay you to investigate.

Is your body "poor" from lack of good water?

DOES the bitter taste and cloudiness of ordinary water cause you to drink when extreme thirst compels?

Then drink Corinnia Waukesha Water, pure, sparkling spring water that makes water drinking a pleasure instead of an unpleasant task. With Corinnia in your glass and home you and your family will get the "eight glasses a day" which doctors advise for internal cleanliness and clear, rosy-cheeked health.

Thousands of thrifty families enjoy Corinnia Water daily. Due to this widespread popularity the cost is surprisingly low. We deliver it to your door anywhere in Chicago and suburbs for but a few cents a bottle.

HINCKLEY & SCHMITT, INC.
420 W. Ontario St. SUPERIOR 6543
Sold Also at Your Neighborhood Store

In more than 450,000 Chicago and suburban homes this every-Wednesday tabloid size supplement in color-photogravure to The Chicago Daily News has won a preferred position on the library table—an established place in the reading time budget. No national magazine—mass or class—meets even one-third so many readers in the Chicago market.



Chicago Daily News

J. Casey

He was informed by his parents that he was to be sent away to an academy in the east. He went. He stayed there four years and the musical sewer was forgotten. Afterward, when he might have revived his old sorrow, he was moved to a university, from which he went into public service in the near east.

Recently, after fifteen years of wandering far from Chicago, he returned to the old home in Morse avenue. Tears dimmed his eyes at the sight of the city he had left.

"It's all so changed," he murmured to his parents. "They have stoplights in Ashland boulevard and most of the buildings I knew and loved are gone. I feel like a stranger coming into a country of aliens. That is the trouble with our country. Too much speed. Too much worship of the god Progress. Too little attention to the old traditions."

HE WAS standing at the curb as he spoke, preparatory to embarking in his father's automobile for a ride to town. And as he opened his mouth for a new sentence he was suddenly shocked into a state resembling catalepsy. Close beside him was a man trundling a wheelbarrow.

A man with a cast in his eye and a scar on his face. And he was otherwise recognizable, despite his graying hair.

"What are you doing?" demanded Mr. DHULE.

"Me, I'm locatin' the cause of this here noise in the sewer," replied the ancient. "When I find it, I fix it. That's what the city put me here to do. An I'll do it."

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CORINNIA MIDWEEK FEATURES

THE CHICAGO DAILY NEWS

Advertising

Representatives:

NEW YORK

J. B. Woodward

110 E. 42d St.

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3-241 General Motors Bldg.

SAN FRANCISCO

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303 Crocker 1st Nat. Bank Bldg.

ATLANTA

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Member of The 100,000 Group of American Cities

Omaha, at or near the top in weekly bank clearings gains during Decem- ber—and is thor- oughly covered by

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Nebraska's Great Home Newspaper

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NEW YORK CHICAGO SAN FRANCISCO
LOS ANGELES DETROIT

Survey of Surveys

BY WALTER MANN

"What Bankers Say"

Bankers, wherever located, are notoriously tight-lipped on financial matters. They would be particularly conservative in any discussion of the buying and selling of securities and its possible effect on the spending power of their depositors. On November 12, 1929, right in the heart of the recent stock market debacle, *People's Popular Monthly*, casting about for evidence to prove that small towns think differently on a good many subjects and therefore need a different kind of editorial content really to reach them, mailed out a questionnaire to 200 bankers in 200 small towns, mostly in the Middle West, asking the following three questions: (1) Will the drop in security prices have any appreciable effect on general retail trade in your town? (2) Will it affect automobile sales to any extent? (3) About what per cent of the families in your town would you estimate have recently lost money on the stock market? The eighty-three responses clearly indicated that the small town was little affected by the crash.

Answering question No. 1, in towns of 5,000 and under, forty-nine out of sixty-one responders said that there would be no appreciable effect on retail trade in small towns, while twelve said that retail trade would be affected. In towns of over 5,000, fifteen out of twenty-three said "no," while eight said "yes."

Answering question No. 2, in towns of 5,000 and under, forty-five out of sixty-one said that automobile sales would not be affected to any extent, while fifteen said they would be affected. In towns of over 5,000, thirteen out of twenty-three said "no" while ten said "yes."

These two questions might indicate that, by and large, the small town was not affected and that the larger the town the more prevalent the opinion that general retail and automobile trade had been affected by the crash.

Answering question No. 3, in towns of 5,000 and under, forty-seven out of sixty-one said that less than 5 per cent recently lost money on the stock market. Fourteen said more than 5 per cent of the families lost money. In towns of over 5,000, only four out of twenty-three said 5 per cent or more. This, as you see, faintly contradicts the impression that the larger small towns were more seriously affected than the smaller ones.

This would tend to cement the impression that the small town is pretty free from stock gambling.

Unfortunately for statistical comparison the study ended here. For a real report on the situation, P. P. M. should have sent a similar questionnaire to 200 bankers in 200 big cities. Such an addition might well have made the small-town story even stronger at that time.

Whatever the study might indicate on immediate spending power, it does seem to bear out the premise that the small town thinks differently today and should, therefore, be approached by a different

copy appeal and through a specific type of media.

While on the subject of small-town spending, let us consider for a few minutes small-town spending power.

For some reason the small town seems to have slid into the doldrums as a spending market, in the opinion of some of the more potent advertisers. When run into the ground, this generally appears to be due to a combination of impressions based on such pure surface statistics as the number of income tax reports for given sized incomes in the big cities versus the number in small towns, or perhaps on a general impression that since salaries are lower, spending is necessarily slower on all commodities in the small town than it is in the big city.

Such impressions in our opinion are no more than impressions, and, unless carefully confirmed, might prevent certain types of manufacturers from advertising to one of their most profitable markets.

Doubtless it can be shown that the incomes of small towns are lower than those of cities and that the tendency toward "spending handsomely" on certain products, services or amusements is greater in the city than in the more conservative small town. But a study of the actual "spending income" of cities versus small towns would, we believe, clearly reveal that the small town is just as great a spender on most of the every-day products. Such a study seems pretty likely to be made in the near future, if government plans now under consideration go through.

Some day a serious study will be made of the actual spending power on the majority of products rather than on straight income figures. When this happens we will get an entirely different and much more accurate picture of the small town and of the farm as a market.

As an illustration of big-city versus small-town expenditures let us take my own as fairly typical. I spend \$5 to \$10 for seats at the theatre on an average of once a week. If I lived in a small town I would take in a fifty-cent movie instead—and like it. Living in the heart of New York, I spend \$30 a month for my garage. In Syracuse, I spent \$20 for the same service—in Larchmont, I used to spend \$15. In a small town, \$10 would be a high price for a similar service.

Here, then, is a \$20-a-month difference for garage rent and at least \$20 a month for theatre tickets, or \$40 a month which would have to be lopped off my big city income as totally unspendable on any sensible basis in the small town.

And these expenditures only start the questions rolling. I pay \$125 a month for a two-room apartment. I could get a heated eight-room house in a small town for half that. These three items alone make a difference of \$100 a month in the income needed to live on the same plane for every-day needs in the city as compared with the small town.

(Continued on page 38)

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JOHN ALLEN MURPHY already has troupes of readers. SALES MANAGEMENT published his important series of articles, "An Outline of Mergers," the first work of major importance dealing with this phase of American business development. This series will shortly be issued by Harper & Brothers, in book form.

Mr. Murphy will soon begin another series of articles on "What Is a Sound Expansion Policy?" Drawing from his wide experience as a sales consultant and market analyst for such concerns as National Lead, Goodell-Pratt, Jenkins Brothers, Bakelite, Rickard & Company, and other companies of similar importance and standing, Mr. Murphy will discuss not only the theory of sound expansion of business, but will show how various expansion methods are working out.

Through his appointment as associate editor of SALES MANAGEMENT, Mr. Murphy goes on the "staff" of every reader of the magazine, to help you in studying and working out your sales problems. His articles will appear *exclusively* in this magazine. He is one of what we call our ENTREPRENEUR EDITORS—viz: an editor who conducts and owns his own business in the very fields in which he writes.

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You Can Set New Quotas for Jacksonville

In a mere ten years 90 percent population increase! If you sell here, and have regarded your volume with satisfaction, 173,960 persons are one reason—more than 55,000 men, more than 55,000 women, more than 60,000 young people and children. Three kinds of market, all open to you through "Florida's Foremost Newspaper."

The Florida Times-Union JACKSONVILLE
FLORIDA

Fighting for Sales Volume

Judging from reactions since the recent slump in the stock market, in 1930 every company in the country is going to be fighting desperately to obtain sales volume.

Sales Contests and Premium Plans

will be used extensively. Already there are indications pointing to a much larger number of sales contests and premium offers than ever before. Our facilities are now available to a few additional concerns of standing.

Individualized Services

We serve clients in the following lines: *Prize and Bonus Plans* for Stock and Bond Houses—Insurance Companies—Power Companies—Banks—Manufacturers of Automobiles—Automotive Equipment—Fire Trucks—Automotive Street Cleaning Equipment—Paints—Metal Goods—Bakery Products, etc.

Premium Plans in the following lines: Canned Goods—Coffee—Flour—Confectionery—Evaporated Milk—Spices—Teas—Soaps—Polishes, etc.

We carry in our warehouse, ready for instant shipment on receipt of orders, stock of over 2,000 different items of standard, trade-marked merchandise. No investment or overhead on the part of our clients is involved in our service. Although articles are shipped direct to recipients, one at a time, our prices are under those of ordinary wholesalers. Among the well-known concerns whom we serve (some of them for more than 20 years) are: Lever Brothers Company, The J. B. Williams Company, Sheffield Milk Company, McCormick & Company, Union Supply Company (U. S. Steel Corp.), International Magazine Company (Hearst Publications) and scores of other nationally known companies.

Information sent by mail on request.
No representative will call without
an invitation.

The Premium Service Company, Inc.

E. W. PORTER, President
7 West 18th Street
New York City

Tips

These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

Markets and Media

1929 Survey of Chain Grocery Field. This study was made for the purpose of ascertaining conditions in the chain grocery field, but from its findings may be derived some valuable hints on trends in that and related industries. Gives the number of chain grocery outlets in principal cities, and per cent of local retail grocery business being done by the chains, besides considerable similar information of interest. Prepared by the Grocery Edition of the *Chain Store Age*, a special issue devoted each month to the chain grocery field.

A Study of Architectural Publications. The Sherwin-Williams Company wanted to know which of the architectural organs was considered most valuable by the men in that profession—and they took the questionnaire method of finding out. The results will be of vital interest to those in the building field.

Packaging

Package Engineering. The successful career of many a product has been thwarted by the problem of safe transportation. The Hinde & Dauch Paper Company approaches each manufacturer's shipping problem individually, and in the light of vast experience and clever ingenuity produces a container that will carry his commodity around the world intact. Their boxes are now transporting everything from live baby chicks to delicately adjusted mechanisms like scales and clocks.

Direct Mail

Straight Shooting. A breezy, smart little booklet which gives the functions of the Direct Mail Advertising Association and how you can benefit by them. The features of the service described in the booklet comprise a weekly bulletin covering all phases of direct mail activities, a research department whose advisory and consultation

facilities are yours for the asking, free employment service and information on the ever-changing postal regulations.

Rotogravure

One Picture is Worth Ten Thousand Words. A booklet illustrating the great diversity of uses of rotogravure, with some pointers on the correct technique for achieving the best results, and a number of strikingly original page treatments. The Kimberly-Clark Corporation is to be congratulated on the pictorial effectiveness of this book.

Office Systems

Record Keeping the 1930 Way. A booklet profusely illustrated with photographs of Cesco Loose Leaf Equipment, and descriptions of their manifold uses. Economy and flexibility are the major advantages of these systems.

Advertising Specialties

Grammes Metal Products. A catalog of hundreds of metal products to answer every industrial need manufactured by this company. Of direct interest to our readers are the pages devoted to etched metal signs, display stands, racks, calendars, desk specialties and a great variety of advertising devices.

Papers

Westvaco Inspirations for Printers, No. 50. The West Virginia Pulp & Paper Company underestimate the inspirational influence of their striking promotional series in limiting it to printers. This booklet on "Phases and Fashions in the Progress of American Advertising" contains several varieties of paper stocks, each used as a vehicle for a different type of advertising. The text presents some interesting observations on the influences out of which has evolved modern American advertising.

Significant News

• • • The most significant news this week came out of the calendar. Some business men marked it by putting thirty in place of twenty-nine, some ate, drank and were merry, and some buried the dead and got into step with the quick.

• • • Ford won't do much business in France next year if the French government puts over the tariff proposals of which our State and Commerce Departments have just been notified—trebling duties on parts for replacement or assembly and doubling them on completed cars. A move of this sort has been in the air for some time, and not for France alone. That may be why General Motors is helping Opel to make cars for Germans and rumor is linking G. M. with Citroen in France.

• • • Protection is apt to spread to other French products and in increasing degree to other great manufacturing countries. In Europe many business men and politicians believe American prosperity is to no small extent attributable to our tariff. They want to be equally prosperous and will copy every American idea and policy they think may be good for their countries. The upset state of our tariff legislation and the selfish ambitions of certain American industries in connection therewith are pushing European possibilities into concrete action.

• • • Many American manufacturers, seeing the trend, have invested in foreign companies where tariff walls are likely to be set up. Such manufacturers propose to develop from within. In consequence of all this the industrial wages and standards of living will tend to equalization in all the leading manufacturing countries, ultimately eliminating the "logical need" for protective tariffs in any country.

• • • Growth in numbers of stockholders in leading corporations following the security panic, to which the newspapers are calling attention, is in accordance with precedent in previous panics. In boom times the small trader in stocks is generally a speculator. Panics bring out the great army of small investors who put their savings into stocks only when bargain day arrives.

• • • The legal status of the modern merger may be clarified by the McKesson & Robbins tryout. Remembering former fumbling, the Federal Trade Commission, it now transpires, got into action as soon as it learned last summer of the McK. & R. wholesale scrambling of wholesalers' stock, presumably before transfer of assets. By acting thus promptly the commission has probably dodged technical obstacles to a final decision on the merits of its complaint that this combination runs counter to the Clayton Act's attempt to keep competition alive. The situation is obscured, however, by President Coster's statement that the Department of Justice gave the merger a clean bill of health.

• • • That southerners regard the chain as an octopus dangerous to their life is declared by Attorney General (Alabama) C. C. McCall's message to friends in Louisiana cheering Governor H. P. Long's fight there against "the domination of our economic life by this

menace." As McCall is running in the Alabama Democratic gubernatorial primary, we may be sure he is heading a popular cause.

• • • Meanwhile Kroger goes on piecing link to link, its latest hook-up having joined 170 units of five smaller chains operating in Illinois, Missouri, both Virginias, North Carolina and Tennessee. To pay for the properties and to meet dividend calls, surplus goes out in stock.

• • • Is it only a coincidence that the cigarette torrent slacked a bit in November just as the retailers got going again with their price bludgeons? In October the production markers were moved up close to 13 per cent above the 1928 line. In November the rise was a bare 6 per cent and this was less than half the rate of excess in the first eleven months of the year. The Farm Board's activities may have had something to do with the production shrinkage. Inflating collateral value of crops (grains, cotton or tobacco) tends to peg their price and so affect manufacturers' buying margins on raw supplies.

• • • Abandonment by General Foods of its famous profit sharing plan under which discounts were based on increase of sales of the company's products is an event of distinct significance to distributors. Limiting the benefits to individual stores was objected to by the big chains.

• • • A large chemical house divided in counsel after the security slump about filling orders amounting to \$15,000,000 decided finally to go ahead. Delivery in full was cheerfully accepted and all the goods have been paid for, SALES MANAGEMENT is informed. Not much sign of hesitation here.

• • • The Ford Motor Company, which recently added nearly twenty million dollars to its annual payroll, announced this week American plant expansion plans involving an expenditure of \$30,000,000 next year. This comes on top of peak development of the company's plants in 1928.

• • • We get an inkling of what an industrialized Russia may do in foreign trade in an unexpected flow of Soviet-made matches into Switzerland soon after Swedish (Kreuger) interests had bought up most of the match factories that supplied the Swiss market. Our commercial attache in Berne reports a "sudden and alarming increase in the importation of Russian matches," which, he says, may have far-reaching effects on the Kreuger fortunes.

• • • The American Tobacco Company has returned to its mutton with copy that warns against the embonpoint penalties of gluttony and advises reaching for a Lucky in the hour of temptation. But sweets are no longer specified as the sirens of obesity.

• • • American Telephone & Telegraph is to spend \$700,000,000 on plants in 1930, \$100,000,000 more than in 1929.

General Motors:

Eighty executives compose the Managers' Securities Company, owning General Motors stock and receiving 5 per cent of the net earnings.

General Electric:

BY
HERBERT KERKOW

U. S. Steel Corp.:

Amount for executive profit sharing in U. S. Steel is determined automatically by earnings and rewards made by three stockholders.

How Five Big Firms Share

WHILE the success of any managerial profit-sharing plan depends largely on the details of the plan in its relation to the corporation, three benefits have been found to accrue from successful plans. Corporations permitting their executives to share in the profits have found one of the advantages to be the influence exerted on each other by those executives who share in the profits. Executives are strongly motivated by the approval and criticism of their fellows.

Another advantage is that expressed in "money talks." A third is the tendency toward cooperation. Executives find that self-interest does them no good, but on the contrary costs them money.

Perhaps the best-known managerial profit-sharing plan and the one whose success has influenced many other corporations in adopting some form of executive profit-sharing is that of the General Motors Corporation. This plan, which has made some eighty executives of that corporation millionaires, though widely known, is explained here as an excellent standard. Donaldson Brown, vice-president, says:

"In 1923 stockholders of General Motors Corporation approved a plan for the formation of the Managers' Securities Company, designed to interest men occupying important managerial positions as partners with the stockholders in the corporation. The Managers' Securities Company was incorporated, with a capital of \$28,800,000 of 7 per cent cumulative, non-voting preferred stock, and \$5,000,000 of common stock. The common

stock was sold to those holding important managerial positions in the General Motors Corporation for \$5,000,000 cash. The Managers' Securities Company then purchased the equivalent of 843,750 shares of present General Motors common stock, paying \$40 a share (the then equivalent market price), aggregating a total purchase price of \$33,750,000. In payment the Managers' Securities Company issued \$28,800,000 of its 7 per cent cumulative non-voting preferred stock and paid the balance of \$4,950,000 in cash.

"The General Motors Corporation has a contract with the Managers' Securities Company under which it agrees to pay to that company annually for each year from 1923 to 1930, both inclusive, 5 per cent of its excess net earnings over and above 7 per cent on the net capital employed. During the years 1923 to 1926 inclusive, the net earning of the corporation available for dividends, including equities in subsidiary companies, aggregated \$425,879,904, and there has been paid or accrued to the credit of Managers' Securities Company under this agreement \$15,923,943, which is equal to 3.74 per cent of the net earnings of the corporation.

"This \$15,923,943 is all that the General Motors Corporation has contributed but, in addition, at no cost whatever to the corporation, there has been a substantial enhancement in the value of the common stock of the General Motors Corporation purchased by the Managers' Securities Company. This enhancement in the value of General Motors common shares has contributed greatly to the success of the plan.



"There are about eighty executives owning stock of Managers' Securities Company. Directors have expressed their belief that there has been no one influence contributing as much to the success of General Motors during the past four years as the keen interest evidenced in the corporation's affairs by these eighty men."

United States Rubber Company directors have authorized a Managers' Shares Trust and supplementary bonus plan that in part follows the General Motors plan. Eric Burkman, secretary, explains the financial structure of the Managers' Shares Trust thus:

"A trust was formed to be known as Managers' Shares Trust with the

Units of production or operation, and their efficiency is the basis upon which General Electric computes its profit sharing.

Standard Oil:

A fund based on the Standard Oil's net earnings is used to reward executives by relative value. Awards are made by the executive committee.

U. S. Rubber:

A Managers' Share Trust and supplementary bonus plan composed of three classes of bonuses, is United Rubber's plan for sharing.

Profits With Executives



Photo by Underwood & Underwood

Executives who feel themselves part-owners of a business, through some sound plan of sharing in the profits created by their own work, are certain to exercise more initiative and put more thought and effort into the discharge of their duties than men who do not have such an incentive.

issuance of not over 100,000 shares of common stock at \$35 a share and the issuance to the company by the trust of 100,000 trust shares. There was an agreement that the company would lend the trust, from time to time, such sums as shall be sufficient to pay its expenses and that the company would credit or pay in cash or its common stock to the trust annually for ten years beginning in 1930 and ending in 1939 an amount to be the same as

the sum credited to the Class B bonus fund under the bonus plan for the preceding calendar year. A resale was agreed upon from time to time, of trust shares in such quantities and to such employees of the company and its subsidiary and affiliated companies occupying responsible positions, including active directors.

"This is determined by a special committee chosen by the board of directors, and the price and terms of

resale fixed by the finance committee. A provision was made that the trust shares held by the company shall not be entitled to dividends and shall participate in the net assets of the trust only to an extent not in excess of \$5 a trust share or in excess of the amount paid by the company, as the case may be, and that the trust shares resold by the company may be issued in series with such relative and participating rights in the net assets of the trust as shall be determined. A provision was also made for repurchase of trust shares by the company from employees under certain circumstances, and that upon crediting by the company to the trust of amounts as stated or otherwise aggregating \$3,000,000 and upon the receipt by the company of an aggregate of \$5 a share in cash for 100,000 trust shares to be sold by the company, the 100,000 shares of common stock of the company shall be deemed fully paid."

Superimposed on this financial structure and supplementing the Managers' Shares Trust is the bonus plan composed of Class A, B, and C bonuses. From records of the company, we find:

"Class A bonus awards may be granted irrespective of the earnings of the company and without regard to departmental lines or limitation as to length of service or the amount of regular compensation received by the employees; each case being considered on its merits. The Class A bonus award may be in an amount not in excess of 20 per cent of the increased earnings or savings estimated as provided by the board of directors to result from service for a period of not exceeding five years.

"Class B bonus awards may be

granted to those who have contributed most in a general way to the success of the company by their ability, industry and loyalty, from a fund to which shall be credited annually, not to exceed 10 per cent of the surplus net receipts, before interest on funded debt, from manufacturing, producing, and selling operations of the company during the particular period, above a certain percentage of the capital employed in such operations during such period as follows: 5 per cent during 1929, 5½ per cent during 1930, 6 per cent during 1931 and all subsequent years.

"Class C bonus is awarded to certain employes who equal or excel certain standards of performance or 'bogies' which may be established from time to time. Any such bonus shall be awarded irrespective of the company's earnings."

Standard Oil Plan

The Standard Oil Company of New Jersey plan for management profit sharing is quite simple. A fund based on earnings is set aside and from this the executive committee rewards executives by relative value. A. T. White, secretary, explains the plan thus:

"After setting aside out of the net earnings of each year an amount equivalent to 7 per cent on the net assets, 5 per cent of any excess of net earnings over the amount thus set aside shall be available as a special compensation fund.

"Awards of special compensation from the fund shall be made by the executive committee of the board of directors, according to the relative value of the various participants' contributions to the success of the company.

"The amount actually distributable in any year shall not exceed one-fifth of one per cent of the net assets at the close of the previous year, any excess being retained in the fund for distribution in subsequent years.

"Of the amount distributed in any year, not to exceed 50 per cent shall be distributed among the members of the board of directors and the balance among others engaged in the management of the company or of affiliated interests.

"Each affiliated company shall by appropriate corporate action obligate itself to assume the payment of any amount of special compensation which may be awarded under this plan to its management."

In the United States Steel Corporation plan, the amount available for executive profit sharing is automatically determined by the earnings of the corporation, but each executive's share

is left up to the judgment of three stockholders, one of whom is usually J. P. Morgan. The plan reads:

"The purpose of the plan shall be effected by setting aside each year a portion of the net profits for the preceding year. When the net profits of the preceding year exceed \$100,000,000, but do not exceed \$150,000,000, the amount set aside shall be 2 per cent of such net profits; when the net profits exceed \$150,000,000 but do not exceed \$200,000,000, the amount set aside shall be two and a quarter per cent when such profits exceed \$200,000,000, the amount set aside shall be two and a half per cent. No amount shall be set aside in any year when the net profits for the preceding year do not exceed \$100,000,000.

"The fund is distributed among employes and its subsidiaries who shall have been actively engaged in the conduct of its or their business for the term of one year or more, and who, by his ability, industry and loyalty, has, in the judgment of the committee, rendered services which have contributed in an unusual degree to the success of the corporation."

Profit sharing of the General Electric Company's executives is computed by "units" of production or operation

and based on the efficiency of these units. Owen D. Young and Gerard Swope state the plan this way:

"Employees in important and supervisory positions in all departments, including administrative, engineering, manufacturing, and sales, are formed into groups having a common interest in and responsibility for the results attained. The elements of the responsibility of each group are defined and used as a basis for determining the efficiency of its operation. Periodical reports are prepared showing the progress of each group and, at the end of the year, an extra compensation fund for each group is calculated upon the results. These plans embrace all branches of the organization, including the leading executives. The plans for this last group are based upon the net profit of a department or of the company, after provision for all expenses, including taxes, and a reasonable return on the investment.

"As soon as possible after the end of the year the extra compensation earned is paid to the participants according to their ratings, in cash, in bonds of the G. E. Employees Securities Corporation, or in common stock of General Electric Company purchased in the open market."

Builds \$750,000 Sales Volume for Tobacco Products by Mail

FROM sales of \$728 in August, 1925, the Bonded Tobacco Company, New York, makers of De-Nicotined cigarettes, cigars and tobacco, has built its business to a three-quarter million dollar yearly volume, almost entirely through an advertising campaign of multigraphed letters, accompanied by a booklet, of which 2,000,000 have been distributed.

The de-nicotined tobacco products sold by this company are higher priced than the average on the market. Being de-nicotinized the market is necessarily smaller than any general brand. In order to make the mail sales profitable, the products must be bought in quantity. As the result of these three conditions, prospects for these products are largely of the type of professional and more wealthy people, such as physicians, executives and bank officials, state and government officials. In fact a recent mailing list secured for circularization was made up of American men and women whose incomes were \$10,000 and over yearly.

Because of the widespread distribution of generally advertised tobacco

products which makes it so easy to secure them, it was necessary in building up customers for the Bonded Tobacco Company to doubly guarantee the authenticity of the product and its ordering by mail. To accomplish this the products are bonded and guaranteed by the New York Indemnity Company, also every purchaser is made to understand that if the product is not entirely satisfactory all charges will be withdrawn, or money refunded. Both of these policies have been effective, since the company's files show many complimentary letters.

As a result of steady circularizing with one letter, which has not materially changed over the period of the company's history, a large number of customers have been built up all over the United States. About 65 per cent of the orders received each day are repeat orders. Many customers have standing orders, 95 per cent of which are accompanied by check or money order. A sample group of orders of one day shows that of a total of 130 orders, 106 were repeat, and twenty-four were introductory. With the

(Continued on page 43)

Arcturus Campaign Wins Up-Hill Fight for Quality Outlets

FROM the bottom of the list to third place in sales and production in two and one-half years is the record of the Arcturus Radio Tube Company of Newark, makers of six types of radio tubes, the best known of which are the Arcturus Type 127 Detector and 124 Screen-Grid Long Life A. C. Blue Tubes. In the face of serious sales resistance, Arcturus won out through backing a sound product with an inflexible discount policy, the intensive efforts of individually trained salesmen new to the radio field and an extremely liberal advertising investment.

Two and one-half years ago Arcturus developed a fifteen-volt tube which it licensed to some twenty-five small set makers. In competition with this development were RCA and Cunningham with a low-voltage tube that the larger set makers were using; these manufacturers were selling almost 98 per cent of the set production. Arcturus was thus forced to develop a line of low-voltage AC tubes. The first development was the Type 127 Detector, which brought in

Dealers and distributors were suspicious because this manufacturer's product was different. Competition was stiff and hot. The company was sponsoring an inflexible discount policy in a field where price-cutting was running wild. Yet a campaign of well merchandised localized advertising appearing in 886 newspapers with a strong personal sales tie-up lifted the firm from the bottom of the list to third place in sales in the industry in two and one-half years.

BY J. GEARTNER

Arcturus Radio Tube Company, Newark, New Jersey

programs in seven seconds, compared with other types which required thirty to sixty seconds.

Starting out to merchandise this product in April, 1928, Arcturus faced several types of sales resistance. The color of its tube was blue; all other makes were white or silver. Heat resistance factors caused Arcturus engineers to make their tubes blue. The trade until educated up to the reasons for blue thought the tube a "gyp." Furthermore, Arcturus was backing an inflexible jobber and retailer discount policy just at the time when the whole tube field was bargaining wide to make sales. The tube was supported by no advertising to the consumer and very little to the dealer.

The line of tubes was by no means a complete one. And last, Arcturus did not offer missionary sales staff to work on the dealers at that time.

During the summer and fall of 1928 Arcturus weathered the slow going, trying to build the semblance of a sales organization, working up jobber distribution, endeavoring to combat the several forms of sales resistances. Newspapers were spasmodically used in New York and Chicago beginning in June, 1928. Business picked up enough that season to warrant the first attempt at national consumer advertising in February, 1929, when eighteen newspapers in fourteen cities were put on the list. This advertising, coupled with the

counseling to the trade through trade papers, had sufficient effect to warrant an increase to eighty-five newspapers in March.

At this time Arcturus had wide distribution but poor support among the most desirable jobbers in the field. The needed step toward greater sales was a clean-up of the undesirable jobber group with an effort to get the stronger jobbers really to push the line. In the advertisements in eighty-five newspapers the jobbers handling Arcturus products were listed.

This listing had an unexpected effect. In Chicago, for instance, the two best jobbers, who incidentally handled Arcturus tubes but had more or less neglected creative sales efforts on the line, wrote in that they did not want their names published in an advertisement with the names of several other jobbers they considered poor company. This brought us an excellent opportunity to come back at these dissenting jobbers and offer them greater restriction of distribution if their sales efforts were increased sufficiently to make Arcturus tubes a leader. These jobbers intensified their effort sufficiently to permit us to drop the poor jobbers.

As a further result of the advertising, jobbers in other cities not selling Arcturus began to write in and ask to handle the line. Sufficient jobber correspondence and contact ensued from this newspaper advertising to give Arcturus a clear view of



Our newspaper advertising campaign, now probably the largest of any tube advertiser, has finally developed a standard layout size of one column, forty-two lines.

the whole jobber field, particularly as to what jobbers thought of one another. This interplay among jobbers was taken full advantage of, with the result that the quality of jobber distribution was bettered and the number of newspapers on the list increased to 185 papers in 164 cities for June, July, August and September, right in the teeth of the dull season.

By the middle of September distribution was organized sufficiently to boost the list to 465 newspapers. With the middle of October the newspaper schedule increased to 886 in 842 cities. The campaign of two weekly insertions of forty-two lines in all cities over 10,000 population will continue thus or increase, no matter how many brokers hang themselves in Wall Street. In the so-called present "slump" Arcturus has suffered only in sales to the larger set makers. However, this company believes that when business is bad it is sounder policy to intensify advertising rather than to diminish schedules.

That, briefly, is the story of Arcturus' rise in the industry. First among the policies that accomplished this is an inflexible discount policy. From its inception Arcturus has not varied its jobber discount and has strongly recommended a fixed jobber discount to the dealer. Secondly, with a few exceptions, the present force of twenty Arcturus salesmen have been recruited from fields other than radio. One of our present salesmen, for instance, sold jewelry before he came with us. Having no preconceived notions, being filled with no idle gossip, which is particularly rife in the radio industry, this man was taught our ways of doing business. He had nothing to unlearn.



LISTEN
--there's
NO HUM
With
ARCTURUS
BLUE A-C LONG LIFE
RADIO TUBES

The third point involved liberal advertising of the type that the dealer finds the most helpful. Our advertising is based on a survey made among dealers in which the returns to our questionnaires were 85 per cent. We have given them the different forms of advertising which the majority requested as having proved the most helpful. Besides newspaper advertising, we use one magazine of national circulation, eleven trade publications, five-piece window displays, wall hangers, window streamers, envelope stuffers, a radio air log, counter and wall cards and blotters, which are gratis, and an electric display sign for which there is a charge.

As a result of these policies, sales resistance has gradually been overcome and one distinct disadvantage has turned into a sales advantage. Our blue color which we deliberately fea-



**Why Buy Tubes
this Way?**
Make Sure of
**CLEAR,
HUMLESS TONE**
with
ARCTURUS
BLUE A-C LONG LIFE
RADIO TUBES

tured has now definitely become an asset. Last year in an abnormal season we did not have enough tubes on hand to supply a Baltimore jobber. Thinking we would accommodate him, we shipped him some tubes whose glass was not blue. This jobber was upset by this because he was afraid he could not sell these tubes since his dealers had been educated through his efforts and through advertising to want the blue tube and would not believe that white tubes were not inferior tubes and made by some other firm than Arcturus.

Our newspaper advertising campaign, which is now probably the largest of any tube advertiser, has finally developed a standard layout size of one column, forty-two lines. First we experimented with a hundred



FACE THESE TUBE FACTS

You are sure of 7-Second
Action...No Hum...Long Life
when you use

ARCTURUS
BLUE A-C LONG LIFE
RADIO TUBES

Our advertising is based on a survey made among dealers. We have given them the type requested by the majority.

lines, then seventy-two. Forty-two lines used often have been found the most resultful. In addition to the pulling power of the newspaper advertising with the consumer, the dealer and the jobber, the newspaper sales departments gave us excellent cooperation in merchandising our window displays and other dealer helps.

Our summer newspaper campaign was highly effective in nullifying the summer slump. Through stimulating consumer demand in this way we were able to keep our replacement sales during a fairly slow season up to a moderately high peak.

Brookmire Service Sees 4,500,000 Car Output

Automobile production for 1930 will be between 4,000,000 and 4,500,000, Brookmire Economic Service, Inc., predicts.

Reduced public buying power, heavy stocks of both new and used cars, and expansion of foreign subsidiaries of domestic producers, Brookmire believes, will cause a reduction of at least 1,000,000 from the record level reached this year.

The Ford production will be maintained at about 1,750,000 units as against 2,000,000 this year, it is believed—the balance of the industry producing "no more than 2,750,000, compared with 3,750,000 in 1929, and 3,250,000 in 1927.

"The outlook appears to be definitely for the most intense competition yet witnessed in the motor industry."



Waterfront garages are becoming available in many parts of the United States such as this one worked out by the National Association of Engine and Boat Manufacturers as a proposed part of the Riverside Drive Park development, New York City

Dodge Starts World Program to Sell Motor Boats by Motor Car Methods

As told to Lawrence M. Hughes

BY J. GILMORE FLETCHER

Managing Director,

AND KENNETH M. SMITH

Director of Sales,

Horace E. Dodge Boat & Plane Corporation, New York City and Newport News, Virginia

THROUGH the application of motor car methods, both in production and distribution, the Horace E. Dodge Boat & Plane Corporation has just inaugurated an intensive program to popularize motor boating on an international scale.

More attractive and lower-priced models, a new \$2,000,000 factory in which automotive straight-line production will be employed, the development of experienced sales and responsible distributor and dealer organizations, to extend ultimately to every waterside city of any size in the world, and a widespread promotion campaign, backed by a \$150,000,000 fortune, have combined to present for the first time to the people of many nations the advantages of this form of transportation and recreation, and to take from the motor car industry some of its hard-learned lessons of efficient manufacturing and merchandising.

At the Motor Boat Show in New York, January 17, Dodge will formally introduce a new runabout, to sell for \$945, the lowest price at which such a craft has yet been available. An order for 3,000 engines—150 per cent more than the largest motor boat engine order up to this time—has just been placed with the Lycoming Company.

A new tidewater factory will be completed soon at Newport News.

Dodge has also started the development of all-metal boats, based upon a principle of durability which is now universally employed in automobiles.

Five hundred or more dealers and 100 distributors will be appointed this year, and at least \$150,000 will be devoted to trade and general advertising to reinforce them. This figure is in addition to the goodly sums the distributors and dealers will spend for promotion of water motoring in their own territories.

National headquarters have been opened at 511 Fifth Avenue, and national sales offices at 3 East Fifty-second Street, New York.

The entire program is being worked out under the supervision of Horace E. Dodge, thirty-year-old president of the company, and son of the late Horace E. Dodge, elder of the Dodge

Brothers, who built up the automobile company of that name, and whose widows later sold it to Dillon, Read & Company, financial house, for \$160,000,000.

With his father's help the younger Mr. Dodge entered the motor boat business some years ago, and in 1924 established his own company, after an intensive study of automobile production and selling methods in his father's factory. Co-heir with his sister, Delphine, herself the national motorboat racing champion of 1927, to a fortune which now totals \$150,000,000, he has the backing of his mother, Anna Dodge Dillman. The Dodge automobile and motor boat activities have never been corporately affiliated—the new company being wholly a personal venture.

Mr. Dodge is now in Europe, contacting with motor boat interests and markets there. He will go to the

Orient in the spring. The framework of an international distribution organization is expected to be completed this year.

For the present, however, the activities of the corporation will be mainly American. An intensive campaign for dealers has just begun. The corporation now has fifty and several hundred applications. In this phase of its program it is not seeking exclusive motor boat outlets. The dealers appointed will also handle other mechanical products of wide sale, such as automobiles, radios, engines, automatic refrigerators and other types of boats. The chief requirements of dealers are financial responsibility and the ability to render service. Coupled in some degree with the latter requirement will be of course the location of the dealers' stores. As far as possible Dodge will select dealers in downtown sections, where its products may be most effectively demonstrated, sold and serviced.

Now Selecting Distributors

The Dodge company is now selecting one hundred regional distributors in the United States, many of whom, for the time being at least, will be dealers as well.

Several of the executives of the corporation, particularly in the sales department, have had automobile experience. At one time with the Packard Motor Car Company, Kenneth M. Smith, director of sales and distribution, was for nine years with the Gould Storage Battery Company, Inc., more recently as president.

L. S. Devos, assistant director of sales, has been connected with the Chrysler Corporation and the Oakland Motor Car Company.

In the 1930 advertising program, which, it is expected, will be larger than last year's (\$97,000 of space having already been contracted for in trade and motor boating publications alone), the Dodge corporation will emphasize the quality and refinements of its products, particularly the new runabouts, and their low price made possible by larger and more efficient production. The advertising is in charge of the McLain-Simpers Organization, Philadelphia.

The factory is being moved to Newport News to provide better and cheaper shipping facilities, not only to Europe but to various waterside cities in the United States, including the Pacific Coast, via the Panama Canal. The corporation expects our export business to account for 10 per cent of our volume this year.

Although the motor car and motor boat were born about the same time,

the motor car industry has expanded far more rapidly. There are now some 26,400,000 motor cars in use in the United States, as compared with only 1,250,000 motor boats. This, the Dodge corporation believes, is due not only to the fact that the motor car has met a greater need, but to more aggressive and efficient production and sales methods. It has been due also to the better cooperation that industry has been able to get from civic and Governmental bodies.

By employing many of the methods responsible for the success of the motor car, and under the supervision of executives, many of whom have had automotive training, the corporation hopes to win back a large part of this market. There are many factors to justify these expectations. Streets and highways are becoming increasingly congested. Not only that, but almost every city of any size in the country is on a river, lake or bay, and municipalities are becoming more active in developing waterfront facilities. Waterfront garages, conveniently located and well equipped, are becoming available in many parts of the United States.

The immediate market for Dodge's low-priced boats, of course, will not be motorists but owners of and prospects for outboard motor boats—of which it is estimated there are perhaps 500,000 in the United States, some of them selling for more than Dodge's new \$945 runabout.

Seek Motorist Prospects

Of even greater ultimate importance, however, is the motor car market, and at motorists the entire Dodge program is being directed. It would be foolish, of course, to predict that the motor boat will ever supplant the motor car. It would be just as foolish to predict that it would ever equal it in sales. The motor car industry has done too thorough a job. It is today turning out good products at low prices. It has hundreds of thousands of dealers and service stations all over the world to carry on its work. It deserves its position as the largest industry.

On the other hand, with much of the pleasure of motoring now being reduced by dust, gas and growing congestion, and with a market which has approached a temporary saturation point, the new Dodge organization believes that the opportunity for the motor boat has come, and it is going ahead to tell a wider public about a mode of transportation with the advantages of which only a comparatively few enthusiasts are now familiar.

Packer's Merchandising Methods in New Series

"Merchandising Packing House Products," by E. L. Rhoades (452 pp., University of Chicago Press, Chicago), is the first of a series of volumes on the merchandising problems of the packing industry. While the book is devoted to the interests of a specific industry, it happens that the ramifications of this particular field are so widespread and its problems so intricate that the facts mentioned apply also to many other fields.

Practical sales executives in the packing industry have contributed their experiences for the volume, which has the particular merit of presenting a more or less technical subject in non-technical language. There is much of value for all executives interested in a broad view of merchandising.

The book is in three parts, the first dealing with "Edible Products," in which the author gives a comprehensive idea of marketing problems which the packer faces, not only because of the perishability of his products but because of the varied buying habits of the people in different sections of the country. The packers have reduced market analysis to a science and the author gives the results of their research.

While the first part of the volume discusses merchandising of specific packing house products, part two—"Methods and Channels of Distribution"—outlines typical channels of distribution through which a major portion of the products of the industry are routed. Because of diversity of outlets, merchandising problems involved in efficient operation of the distribution end of the business are many and varied. There is a chapter on Credits and Collections in this section especially interesting and important, because it goes into detail on the methods used by packing organizations and describes results obtained.

Part Three—"Inedible Products"—describes the marketing of by-products. Elimination of waste is important in all industrial fields, but in the packing industry it is pre-eminent, with the result that this business is a model of efficiency in the utilization of every scrap of "raw material."

Salesmen's Idea Incubator in Four Volumes

Four little volumes packed full of the finest examples of salesmanship, sales suggestions and ideas and inspirational messages for salesmen—well written and thought-provoking—are called "The Salesman's Idea Incubator," by Maxwell Droke (Business Letter Institute, Inc.).

Volume One is entitled "The Joy of the Job," and consists of ten chats with those who sell on selling and sales problems.

Volume Two, "Famous Sales and How They Were Made," is a series of brief narratives by executives of various companies, some of which have appeared in print in various publications.

Volume Three, "The Road That Leads to Sales Success," is devoted to a series of inspirational essays on salesmanship and its opportunities.

Volume Four, "Salesmanship 'Goes Modern,'" discusses the need for a wider general knowledge on the part of the salesman; new sales needs and opportunities brought about by changes in business and progress, and the future of the salesman.

When the Warren-teed Seed Company introduced their new process for seed-cleaning to American farmers they concentrated sales efforts on governors, bankers, county agents, college professors and others who wield great influence over the prospects to whom they wished to sell.

Key Men in Agriculture Help Us Sell the Farmers

“WHEN Harry R. Warren, dirt farmer of Nevada, was chased from his 1,200 - acre farm by weeds there was born the idea which has made possible today the foremost step in American agriculture.”

The sentence quoted is the opening paragraph of a handsome portfolio, entitled “Beyond Even the Microscope,” being used by the Warren-teed Seed Company, Chicago, to tell the story of the development, perfection and significance of its patented and recently announced process for cleaning crop seeds so thoroughly and so uniformly that its product is warranted 99 90/100 per cent pure crop seed, with unusually high percentage of germination.

This portfolio is one of the notable features of a sales campaign quite as interesting as the story of the Warren process.

The presentation consists of thirty-six pages, 10½ by 15½ inches in size, of a fine, dull-coated, enameled paper, with limp covers, printed in special

An interview by D. G. Baird with
JOHN L. KELLOGG
*President, Warren-teed Seed Company,
Chicago*

type, adorned with colored decorative features and illustrated by numerous four-color cuts. It tells how Harry R. Warren came to develop the process, how John L. Kellogg, long prominent in the cereal industry, came to his assistance, how farmers are planting weeds with their crops, and how the Warren process insures uniformly pure crop seeds. Numerous four-color process pages showing seeds of different kinds in the “before and after” state tell the story even more vividly.

The initial mailing of 1,600 copies of this book, recently made, is said to have brought acknowledgments and comments from more than 50 per cent of those to whom it was addressed!

Here we come to the first example of the unusual sales plan being pursued by this company. This mailing

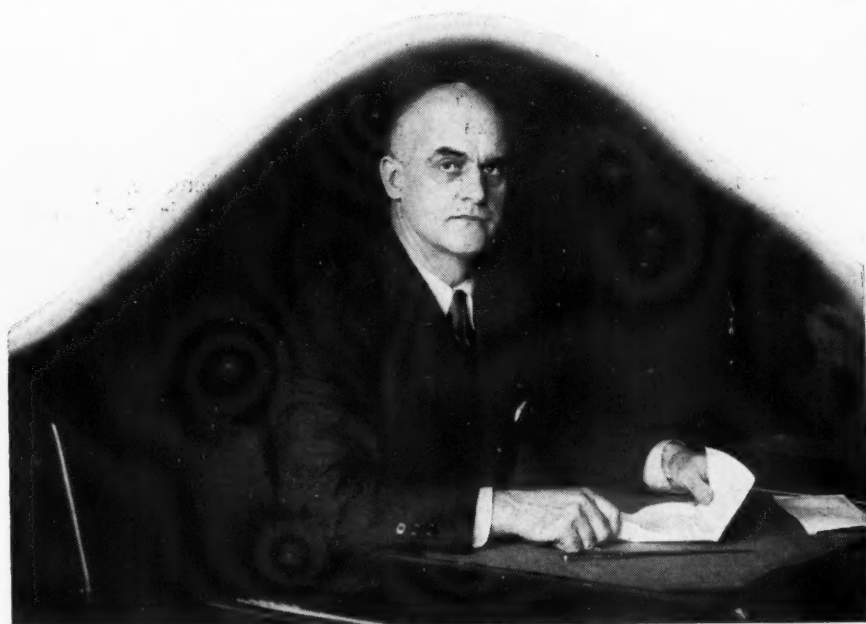
was not made to farmers. It was not made to seed dealers. It was made to governors of states, presidents of banks, college professors, county agents, and others interested in agriculture. With it went a letter from John L. Kellogg, president of the Warren-teed Seed Company, presenting the book with his compliments and proposing to send copies to others whom recipients might suggest. The remainder of the edition of 5,000 copies is being sent to these, to seed dealers, and others interested.

Another book almost identically the same except in size and arrangement of cuts is being sent to farmers and others who respond to the company's advertising in the farm press.

“Governors, bankers, professors in agricultural colleges, and many other prominent and influential people are quite as much interested in agriculture as the farmer himself,” Mr. Kellogg pointed out. “What is more important, they are more likely to do something about it when they see the pure seed movement means greater production and greater profits. They have more initiative. They have a wide influence in their respective communities. They are intelligent, educated people who are quick to see the benefits of such a discovery.


“Every intelligent person is promptly won to our cause the moment he begins to comprehend its enormous possibilities for good. The farmers of the country are paying for weeds, and they are paying a higher price than few have ever dreamed. One farmer

(Continued on page 42)



A letter from John L. Kellogg, president, accompanies the Warren-teed Seed Company's chief mailing piece to governors, agricultural instructors, bank presidents, county agents and others influential in the agricultural field.

Executives in all lines are more closely scrutinizing their markets and their sales methods with the idea of setting up a more efficient plan for protecting profits during the coming year. Based on his experience as an industrial engineer acting as a consultant to numerous manufacturers, Mr. Hatch here suggests a four-way check to uncover wasteful selling practices:

- 
- ❑ 1. Eliminate unprofitable salesmen
 - ❑ 2. Sell only to profitable customers
 - ❑ 3. Eliminate unprofitable territories
 - ❑ 4. Keep your selling policies flexible.

Four Ways to Plug the Leaks in Profits During 1930

BY CHARLES H. HATCH, *Vice-President, Miller, Franklin & Company, New York City*

ELIMINATE *Unprofitable Salesmen.* A common and usually expensive mistake is to subscribe to some arbitrary scale of salaries for salesmen—a scale that is, as a rule, based on tradition rather than science. In one industry it may be a top rate of \$40 a week, in another \$150. In either case it is probably wrong, for what a salesman is worth depends solely upon the results he achieves. It is just as possible to lose money by paying salesmen too little as by paying them too much.

Take the case of a concern which sells, through retail stores, a product worn by men, women and children. The gross profit for the business as a whole averaged, in round figures, 20 per cent. The cost of selling, including salesmen's salary and expenses, advertising, general selling expense and a share of administrative expense, was about 13 per cent.

The company had forty-six salesmen on the road. Of these only eleven operated at a total selling expense less than the gross profit—that is, were profit-making members of the sales organization.

It was also a striking fact only one of the eleven highest-paid men failed to produce a net profit. One of the profit-makers received the twelfth highest salary. The highest salary paid was \$9,000 a year—the eleven highest ranged from that figure down to \$5,900. The lowest salary was \$1,966.

The highest-priced salesman was well worth his \$9,000 salary, for his total selling cost was the lowest—5.5 per cent. From 5.5 per cent, the selling expense ranged upward to a high of 44 per cent. The five men with the highest percentage selling expense were paid salaries that averaged \$3,200. The average salary for the entire force was \$4,300.

I am not citing this company as a peculiarly horrible example, but rather as a fairly typical one. On the road or in the factory it is usually the highest-priced men who are least expensive and the lowest-priced ones who boost costs.

It is hardly likely that any sales manager reading this will have to be restrained from dashing out and offering double the old salary scale to anyone who calls himself a salesman, in the blind hope that by paying more he will automatically get more. That would too obviously be putting the cart before the horse. What is desired is a type of man who not only can but will sell enough to make himself worth a high salary. The two do not necessarily go together.

It is a fallacy, as many sales managers know, to believe that an incentive method of paying salesmen is always effective. One concern I know paid its men a drawing account against commissions. Of its twelve salesmen all but one were "in the red"—owed the company money—year after year. Yet a study disclosed

that nearly all of them could have earned more than their drawing accounts if they had really tried.

It is important, of course, to consider, when hiring a salesman, whether he has natural selling ability and a following in the trade. But it is beginning to be recognized also that his supply of ambition has an important bearing on how profitable an acquisition he will be. Too often the salesman who is chronically dissatisfied with his income is looked upon as a pest, while the easily satisfied, unambitious one who never asks for more money is looked upon as something of a find.

The reason so many bonus, commission or other incentive plans for paying salesmen fail is because the men set for themselves a rather low amount with which they are satisfied and as soon as they earn that much take it easy. Therefore, it pays to test salesmen for their acquisitiveness as well as for purely selling ability to make sure that they will exercise their abilities to the limit.

Sell Only to Profitable Customers. One company voluntarily reduced its sales volume 23 per cent and thereby made a profit for the first time in several years. It did this by the simple means of coldly but intelligently refusing to sell to customers who did not buy enough to make their purchases profitable.

It is not difficult to determine accurately whether a customer can be



Today's business "be-
strides the narrow world like a
colossus." And advertising . . .

As one of the six largest advertising agencies in the world, this company sees business problems with eyes on world horizons.

Our nine offices in the United States and Canada—our branches in London, Paris and Frankfort, o. M.—are not alone sources of information on local conditions. They are focal points to which come all that is most progressive in advertising technique.

McCann may well solve a sales problem in London with an idea originated in San Francisco and first applied in Toronto—all under this company's supervision.

But, despite our size and the scope of our activities, we are so organized that every account has the personal direction of one of our principals and the service of first rank advertising men. Do you know our record for *holding business*?

• The H. K. McCann

COMPANY • ADVERTISING

NEW YORK • CHICAGO • CLEVELAND • SAN FRANCISCO • LOS ANGELES • SEATTLE
DENVER • MONTREAL • TORONTO • LONDON • PARIS • FRANKFORT, o. M.

sold at a profit. Often the most important item in selling expense is the direct cost of salesman's salary and expense. Another is the share of general selling and administrative expense. Another is the cost of billing the order, handling the goods and collecting the money. If it is desirable to ascertain the cost with great accuracy, all of these items must be determined and charged against each customer. But in many instances—the one I am describing is an example—it is sufficient to determine merely the direct cost of selling a customer. This is done by determining how much it costs to make a sales call and multiply that figure by the number of calls made either on a specific customer, or as in the case I am discussing, on a class of customers.

Using this method of calculating the direct cost of selling it was found that to sell customers who bought less than \$100 worth of goods in a year cost 88 per cent of the selling price. It cost 25 per cent of the price to sell to those whose purchases were from \$100 to \$200 a year; 16 per cent for the \$200 to \$300 group; 10 per cent for those buying from \$300 to \$500; 5½ per cent between \$500 and \$1,000; and only 2½ per cent for the class that purchased more than \$1,000 worth of merchandise annually. It is to be noted that it cost more than forty times as much to sell the smallest customers as it did those in the highest class.

Dead Loss Customers

It was found that to sell to those who bought less than \$300 a year resulted in a dead loss. Yet these unprofitable customers had constituted 65 per cent of the total number.

As an indication of the small volume of sales that the smaller customers accounted for, consider the single class of those who bought less than \$100 worth a year. They numbered 35 per cent of the total number of customers, yet they bought only 3.7 per cent of the manufacturer's total production.

With such startling but incontrovertible figures as a guide the concern decided to stop entirely selling to any customers who could not buy a minimum of \$300 worth of goods a year. It also eliminated a large part of those who bought from \$300 to \$500 worth, retaining only those in this class who could be reached by the salesmen easily and inexpensively.

Following this policy reduced the selling expense for the business as a whole just half. It had formerly been 9½ per cent; it became 4¾ per cent.

Another concern in a wholly dif-

ferent industry approached its problem without recourse even to the cost-per-call method I have just outlined. By dividing the total cost of selling, including salesman's salary, expenses, advertising and general selling and administrative expense by the total number of customers, it arrived at the average cost of selling a customer, which was found to be about \$450. The cost of selling, considering the business as a whole, was 20 per cent. Thus the manufacturer neither made nor lost money on a customer who bought just \$2,250 worth a year. Less than 25 per cent of this concern's nearly 4,000 customers bought more than that amount—or, to put it somewhat more strikingly, more than 75 per cent of its customers were sold goods at a net loss.

As is usual, in fact necessary, with any concern that is able to continue in business, the large, profitable customers accounted for the largest part of the sales volume.

Selling the Little Fellow

In the first case I cited there was, due to the peculiarities of the industry, practically no chance to stimulate the amount of purchases made by the small, unprofitable customers, and little likelihood that the small ones would with the passage of time become large ones. The only thing to do, if profits were desired, was to cease selling to the small accounts, or to develop some more economical method of contacting these unprofitable customers. What the best method will be depends upon the peculiarities of the particular business that finds itself in this situation. It may be most economical to go after the business along mail-order lines. Again, it may be possible to effect economies throughout the entire system of selling. Or it may prove desirable to turn the entire selling effort over to an outside distributing organization that could handle the small customer economically because the manufacturer's items represent but a portion of the salesman's selling time and of the line he had to sell.

In some cases a tie-up of a mail-order plan with business paper advertising to cull customers and get inquiries could serve.

The manufacturer should bear in mind that advertising sales calls vary widely in cost, depending upon the media, size of the advertisement, whether color is used or not, the style of the typography and so forth. Sales "calls" made by advertisements are usually much less expensive than calls made by salesmen. Often they are highly effective as well.

In the latter instance above-mentioned, however, the conditions were different. Few, if any, of this manufacturer's customers had been concentrating all of their purchases with him. They had, as retailers will when an unadvertised commodity is involved, striven to arouse a, to them, beneficial competition by scattering their purchases among a number of suppliers.

When it was determined definitely just how profitable a big customer was and, on the other hand, how unprofitable a small one was, this manufacturer wisely decided to make it worth while for each customer to buy all of his requirements in one place. To accomplish this he worked out a sliding scale of quantity prices, depending upon the amount of goods purchased, in an effort to make all customers profitable.

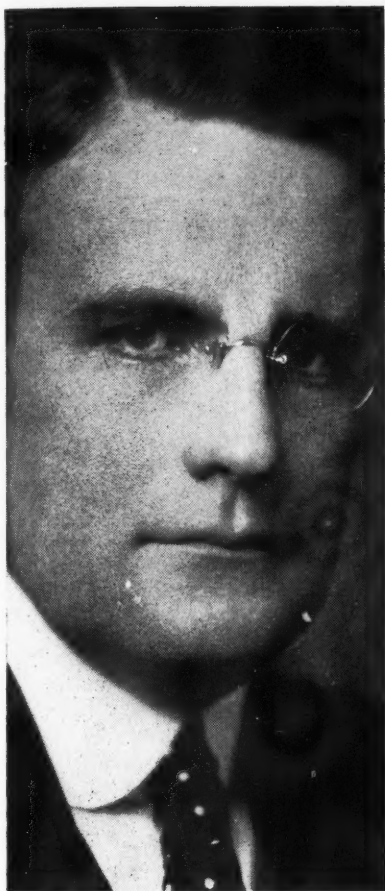
That is, of course, more to be desired than to eliminate the unprofitable ones. Unfortunately, it cannot always be accomplished.

Eliminate Unprofitable Territories. By working out the cost of salesman's calls, and where necessary reducing the other elements of selling cost to a suitable unit, it is possible to measure the profitableness of territories in much the same way as customers are rated. Usually for the sake of accuracy it is desirable to determine a cost a call for each territory. The cost a call obviously varies not only with the salesman's salary and expenses, but with the number of calls he can make in a day. In congested districts around cities twenty to thirty calls a day may be easily possible, while in a sparsely settled section it may be out of the question for even a conscientious salesman to average more than one a day.

Profitless Territories

On applying the proper cost a call to each territory it is not unusual to find that by ordinary means of selling some territories are hopeless. Sometimes it is possible, of course, to sell through jobbers or other local representatives rather than direct. Again, it may be possible to get business at a profit by intensive cultivation by the mail. But often, I find, there is no way in which sales can be made at a profit in certain territories. Much as it may irk the man who thinks more of sales volume than of net profits—and I assure you there are many such—the indicated course, then, is to chop off those territories mercilessly and to forego, at least for a time, the personal satisfaction that seems to come to some business men from the

(Continued on page 47)



Robert F. Miller

MUCH has been said about the "high cost of distribution," but all too little attention has been paid to one important element which may prove to be the deciding factor between higher costs and lower costs for any manufacturer. This is the element of sales personnel.

Considering that millions of dollars are invested in the training of specialty salesmen and sales executives of an industry such as the grocery industry, with thousands of men on the sales forces of its manufacturers, it is evident that such men must be kept regularly employed within the grocery industry or else these millions are an absolute loss.

When a man's connection is terminated with one grocery manufacturer and he is unable to make a connection promptly with another, he naturally turns to an outside industry to find the employment apparently unavailable in the industry which trained him. This happens all too frequently for the sole reason that there is no point of contact between the experienced man seeking a connection and the manufacturer who requires just such experience.

Now, however, with the establishment of the AGMA Personnel Bureau

Grocery Manufacturers Act to Eliminate Waste of Unemployment

The establishment of the AGMA Personnel Bureau by the Associated Grocery Manufacturers of America is one of the most significant among new developments in the grocery field. Recognizing the high value of men experienced in the industry, the bureau will function with the idea of keeping good men within the grocery field. Leaders in other industries can well afford to watch the plan closely.

for the grocery industry, there is definite assurance that this situation will have the attention justified by its importance to all concerned. Several months have been spent in organizing the bureau for active service, which began January 1, and methods have been thoroughly tested and found to be prompt and effective. The bureau is operated by the Associated Grocery Manufacturers of America at their New York offices in the Graybar Building, where additional space has been acquired for its use.

In an exclusive interview on this subject of sales personnel, Robert F. Miller, executive vice-president of AGMA, said that his organization had, since its inception, concentrated its attention on the problems of distribution of grocery specialties. In fact, its predecessor, the American Grocery Specialty Manufacturing Association, came into existence for the purpose of validating the specialty orders of its members.

"This beginning of AGMA years ago," explained Mr. Miller, "brought about a grouping of manufacturers of an entirely different makeup from the many existing associations of strictly 'trade' groupings. Because of the varied range of products sold in a grocery store and by reason of the fact that the validation of their specialty orders was considered equally important by all manufacturers, AGMA grew to be an organization truly representative of the grocery industry in all its manufacturing branches, including every kind of

product from biscuits to beans, salt to soup, cereals to coffee, milk to molasses, and so on. In fact, everything sold in a grocery store.

"This organization structure has had the natural result of causing this group of manufacturers to think in terms of the grocery industry as a whole, with its many problems, rather than in the more constricted range of some particular branch of the industry represented by one product.

"Plans for the new AGMA Personnel Bureau are right in line with this type of thinking, as the services of the bureau will be available to the manufacturers of the entire industry and not confined exclusively to the use of our membership.

"Grocery manufacturers employ thousands of salesmen for wholesaler and specialty selling and many hundreds of sales executives. The salaries of these men range between \$2,000 and more than \$15,000 a year. There is no doubt but what their value to the industry, based on their years of experience, equals in every case the yearly salary they earn for themselves. While the peculiarities of grocery distribution make it impossible for all manufacturers to retain complete corps of salesmen at all times, yet there never is a time when some manufacturers are not seeking experienced men of proven ability.

"This new AGMA Personnel Bureau will serve as a great employment clearing house for salesmen and sales executives for the entire grocery in-

(Continued on page 46)

Why 1910 Sales Policies Won't Sell 1930 Lines

IN many instances, it has been necessary to remodel stores entirely. We have a crew of experts employed regularly and they are the best carpenters, decorators and stock men we can find. The stores are not remodeled according to any specific plan, although the stock arrangement is always determined scientifically. We look upon every store as an individual problem, and when we get through with its rehabilitation it is attractive and clean and the outstanding hardware store in its community.

Next, we usually find that the dealer and his clerks are in need of a course in salesmanship and modern merchandising. We furnish them with such a course, and we demonstrate that only by conducting their business in a modern way can they meet the present competition.

Advertising Cooperation

Usually, also, we have some educational work to do in the field of advertising. If it is possible for a cooperating dealer to advertise in his local newspapers, we advise him to do so, and we keep after him until he is fully convinced that his advertising pays. We furnish him with newspaper copy and cuts, and write copy to apply to his class of trade. In this, as in all other merchandising service, we require the dealer to pay the full cost, for the reason that something for nothing is discouraging to cooperation and tends to prevent the dealer from assuming responsibility for the effort.

Of course, a large part of our merchandising is conducted by means of direct advertising material. On our own behalf, we are constantly hammering away with special catalogues, and we furnish all cooperating dealers with a flow of effective material. In this activity we are not doing anything unusual, for many wholesalers have adopted similar plans and their merchandising is producing good results. But the spirit behind our effort is unusual, I think, for we realize it is impossible to help the dealer simply by selling him goods at a price.

*The first part of this article appeared in the December 28 issue.

The conclusion to an article*

BY W. B. MUNROE

President, Supplee-Biddle Hardware Company, Philadelphia

Wholesalers frequently do the dealer an injury by selling too many goods at too low a price.

We have been able to prove to thousands of dealers that low prices are not nearly as important as they thought. A good merchandising plan is more essential, and when the wholesaler encourages the retailer to merchandise properly he can just about forget the actual selling. That is why we emphasize the importance of merchandising, and I shall outline a typical instance to illustrate how we carry the principle of merchandising into effect.

About six months ago, when we began to plan our fall and winter campaigns, we looked around for some time for a basic idea. The most valuable asset in business today is good ideas, and we soon found one worth a great deal of money. And it can be explained in two words: merchandise toys.

We realized that we had to have a plan that would actually sell toys for hardware dealers. Naturally, a catalogue of some sort was necessary, and for months before the selling season we had in preparation a book that was different and exceptionally attractive. Printed in colors, it comprised sixteen large pages with space for the dealer's name and address on the cover.

Such catalogues are usually pretty much alike, but we made ours different by cramming it with human interest. One of our officers has two children, Billy and Ruth. Naturally, he thought of his children when he was planning the book, and he included a letter for them. He also had Billy and Ruth comment on some of the special items and their messages accompany the illustrations of the toys.

When the work was finished, we knew we had something that would interest not only our dealers, but men, women and children, and the results have been greater than we expected. Before our salesmen left for their fall

trip we tried to convince every one of them it would pay them to sell toy catalogues to every dealer in their territories. I believe, judging from results, that every one of them was sold heart and soul on the proposition. The price a copy was based on very large printings, and was so low that every dealer could afford to distribute a sufficient quantity to bring him the business.

We have not had time to check up the number of orders, but they range up in the hundreds of thousands. The smallest orders were only for a hundred copies, but they averaged several thousand each. Soon after the men went out, we ordered a supply we thought would take care of the demand. We soon found we were mistaken and ordered another very large edition. Then, before the close of November we had to order the plates back on the presses for a third large edition.

Besides selling the catalogue, our salesmen did magnificent work in showing dealers how to sell toys. They even assured dealers that it did not matter where they bought their toys, as long as they stocked the items illustrated and priced in the catalogue and merchandised the goods properly. Our men frankly told all dealers that if they had connections entirely satisfactory in supplying them with toys, we would not ask them to sever their relations with our competitors. We wanted them to use our campaign material just the same, knowing that if we were instrumental in building up their toy business, they would show their appreciation by purchasing other goods from us, and this attitude has been exceedingly profitable.

When we decided on the campaign, our buyers selected the greatest stock we had ever handled, both in variety and quantity. We fitted up a toy display room for visiting buyers, and it looked as if we had enough toys to

(Continued on page 44)



Advertising

like religion, is all things to all its adherents. Its nature and functions are varied and variable as the intent of its employers ☆ ☆ One uses it to get orders for tomorrow; another, that a generation hence, litigation may not lessen nor courts abrogate the heritage of his children ☆ Sometimes it is used to move merchandise, or bankers and stockholders ☆ It may attract ability as well as orders ☆ It may be a hope or a plea, a defence or an assault, a device to delight one's friends or confound one's enemies ☆ It may win a welcome for merchandise or the man who sells merchandise ☆ It is the sword of competition and the shield against it It kills and simultaneously creates prejudices ☆ It promotes prosperity and dissipates depression It opens doors and sets up barriers ☆ It breeds or halts habits ☆ It makes people make up their minds ☆ It is a substitute for a past, and a sign for a future ☆ It may be simply a setting for the rare jewel of reputation; or the stately shadow of a man ☆ It makes life a little better ☆ ☆ ☆ Like religion, furthermore, advertising strikes at the spirit through the senses. Its advocates employ many media, diverse in their differences, versatile in their values, unique in their utilities. They know that the heart is hospitable when the intellect is often inert, and set great store by sentiment, make a handmaid of humor. They know that a mean means often accomplishes an uncommon end, an unlikely avenue often comes closest the goal. And they have seen eagles snared by the corn spread for oxen ☆ ☆ ☆ So the good practitioner, like the good preacher, keeps his mind open, his pride and prejudices pressed down, his curiosity uncaged, and his experience alert.



*With every good wish for the coming year for all our friends in advertising—
and all our enemies, too!*

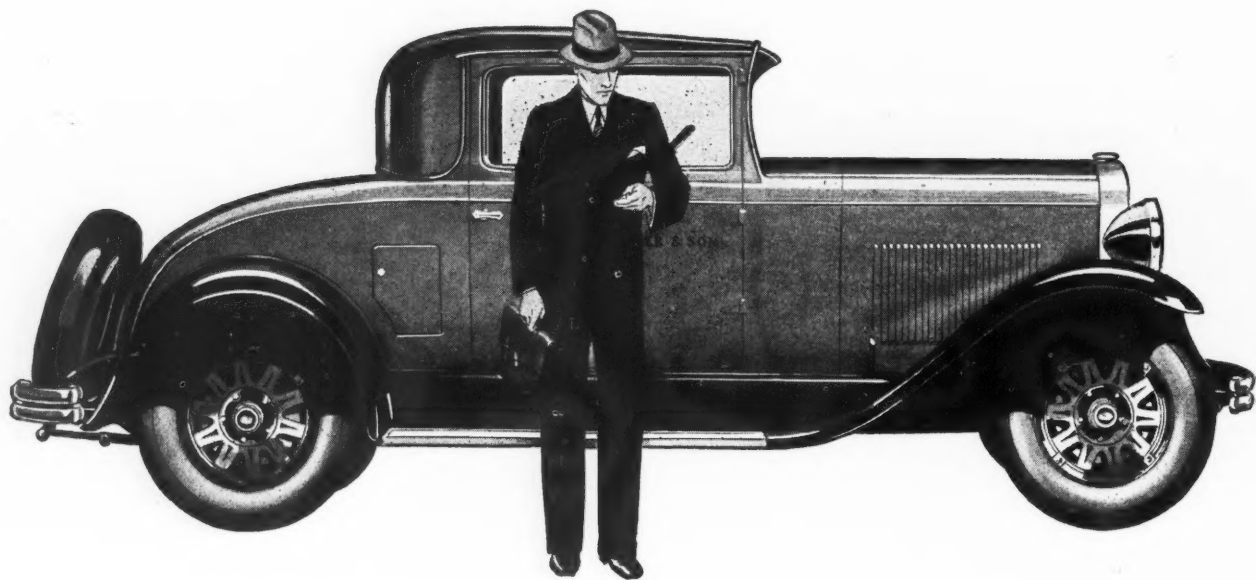
THE NEWS, New York's Picture Newspaper—25 Park Place, New York.



Dependable Transportation
for Your Field Force

OLDSMOBILE

The CAR FOR BUSINESS



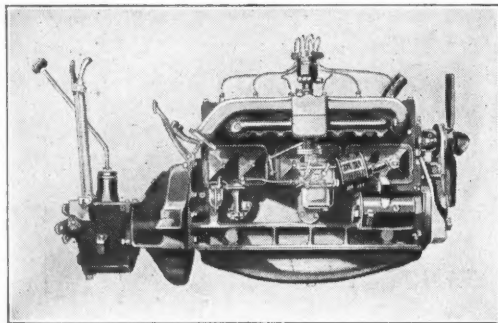
IN VIEW of Oldsmobile's widespread reputation for dependable performance, Oldsmobile business cars merit the closest and most careful consideration on the part of those concerns whose field forces are equipped with automobiles.

Oldsmobile's style is smart without being extreme. Oldsmobile offers qualities of speed, acceleration, handling ease, and roadability exceptional in the low-price field. Yet, the ever-increasing public favor that Oldsmobile continues to enjoy is based primarily on Oldsmobile's ability to "stay on the job," day in and day out, with the minimum of service attention.

This quality of dependability

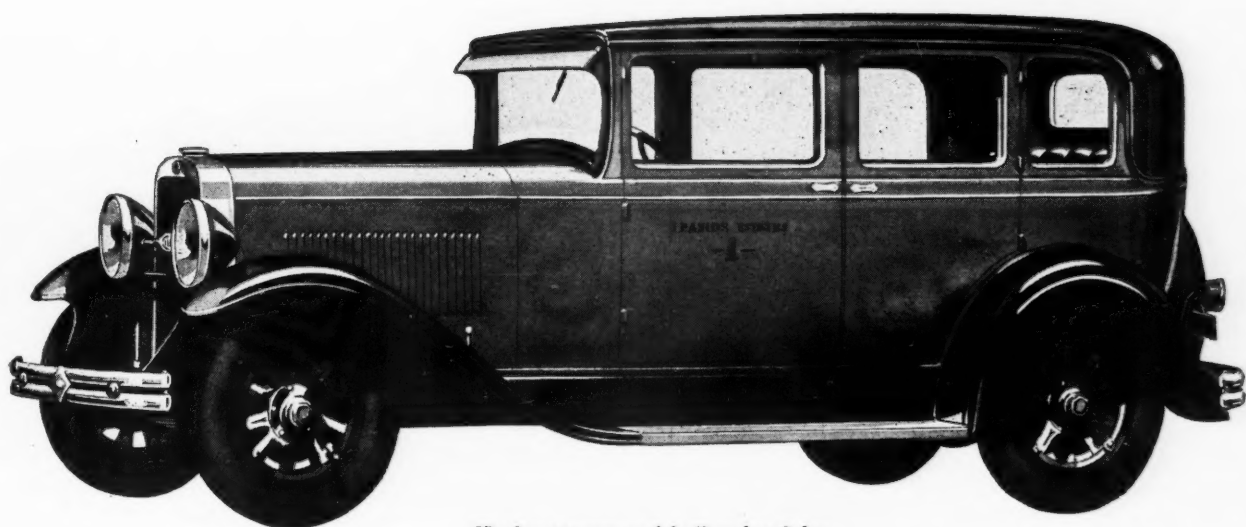
is one which should be of prime consideration when you are selecting the cars that are to carry your representatives about their territories.

It virtually eliminates the possibilities of appointments missed or tardily kept, due to mechanical trouble. It reduces the average time *en route* between calls. And it permits your salesmen to cover the most sparsely settled areas and to take untraveled roads with a feeling of confidence that they will arrive at their destinations on time.



Oldsmobile's high-compression 62 h. p. engine is silent, smooth, and free from any semblance of strain even at the higher speeds.

Dependability is a fundamental of Oldsmobile performance because it is a fundamental objective in Oldsmobile engineering and manufacture. Vital parts are

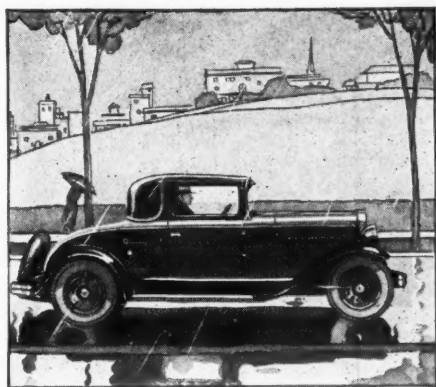


*The fine appearance of the Four-door Sedan
is a credit to any business organization*

designed with exceptional factors of safety. Vigorous inspections insure the maintenance of high standards of quality and precision. In the big 62 h. p. engine, for example, not only are the main, connecting rod, and camshaft bearings pressure lubricated, but oil is also forced to the piston pins—a practice unusual in cars in Oldsmobile's price class.

In addition to its dependability, Oldsmobile offers other equally practical advantages. It is a splendid car to drive, free from vibration and nimble in traffic—a pleasure to handle over any road. Fingertip steering, four Lovejoy hydraulic shock absorbers, restful cushions, and adjustable drivers' seats enable salesmen to reach their destinations refreshed and mentally alert...ready for the most difficult interview.

And further, Oldsmo-



Snug, weathertight, and properly ventilated—thanks to the superior design and construction of the Fisher Bodies.

bile with its fine Fisher Bodies and deep, lustrous colors has the smart prestige-building appearance that you should demand in a car which bears your name or which makes its appearance in front of a customer's place of business.

Whether your requirements are for two cars or two hundred, it will pay you to investigate Oldsmobile. This fine car of low price offers you tangible advantages entirely out of proportion to the slight difference in investment between Oldsmobile and lower priced cars.

Make your comparison on the basis of demonstrated ability, low maintenance cost, and total possible hours in service—on the basis of big car style, comfort, and performance . . . and you will see the business wisdom of selecting a fleet of Oldsmobile business cars.

OLDS MOTOR WORKS, LANSING, MICH.

COUPE OR TWO- DOOR SEDAN . .	\$895	FOUR-DOOR SEDAN	\$995
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Prices f. o. b. factory, Lansing, Michigan, Spare Tire and Bumpers Extra

CONSIDER THE DELIVERED PRICE
Consider the delivered price as well as the list price when comparing automobile values. Oldsmobile delivered prices include only reasonable charges for delivery and financing.

OLDSMOBILE

The CAR FOR BUSINESS



PRODUCT OF
GENERAL MOTORS

Survey Shows Extent of City Trading Area Expansion

BY W. L. DAVIDSON

A few short years ago the small town was an oasis in a sea of mud and the population was buying by mail. This survey of department store trading areas shows the changes brought by good roads and automobiles.

GOOD roads and automobiles have broadened the city trading areas until a large percentage of the city department stores' trade comes from the surrounding countryside. Small-town people who live from 50 to 200 miles from a city are making weekly and semi-weekly trips to the city, buying merchandise which is not readily obtainable in their own home store.

These facts are now widely accepted. However, a recent survey made among department stores located in cities of from 50,000 to 500,000 population brings out some unusually interesting figures as to the extent of this trend.

That the trading radius of the city has broadened to a great extent in the past few years is best evidenced by what these stores themselves say about it.

The Pelletier Company, Sioux City,

Iowa, says: "Sioux City enjoys an unusually large business from its surrounding trade territory. This always has been the case, but the 'out-of-town' business has grown greatly

during the last few years, due to the fact that better automobiles and better roads are making it easy for the woman in our trade territory to come to Sioux City with great frequency."

Thomas Kilpatrick & Company, Omaha, Nebraska, says: "Due largely to improved arteries of travel, Omaha's trade territory has been widely extended. People now can drive in from a town fifty miles distant, complete their shopping, attend a good show and return home in a day."



Loveman, Berger & Teitlebaum, Nashville, Tennessee, say: "This business has grown wonderfully in the last four or five years, owing to good roads throughout the territory."

The Smith-Kasson Company, Cincinnati, Ohio, say: "We highly prize our out-of-town customers, who cover a territory of practically a hundred miles' radius of Cincinnati."

The Miller Company, Ltd., Lake Charles, Louisiana, says: "We are

People now can drive in from a town fifty miles distant, do their shopping, attend a show and return home in one short day.



HOWARD W. ANGUS
Account Representative
New York



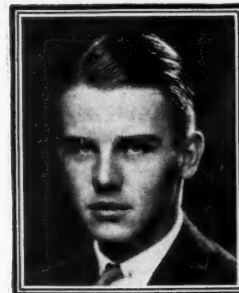
EDITH L. POWELL
Assistant to the President
New York



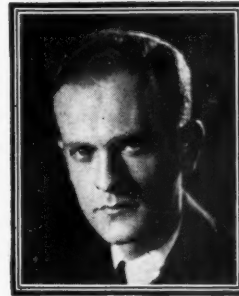
BURR GIFFEN
Art Department
New York



RALPH ROLAN
Assistant Account Representative
New York



ARTHUR SCRIVENOR, JR.
Writer
New York



EDWIN D. CONABLE
Assistant Account Representative
Chicago



WILLIAM SPIER
Radio Department
New York



MARJORIE PAUL
Writer
Chicago

FROM *BENEATH* THE HAT

In choosing our staff we seek the ability to think forward from what is already known. This applies to representatives, writers, artists, people who know media and markets and those who know radio and publicity. We have no sleight-of-hand experts. We don't subscribe to the idea that successful campaigns are pulled out of some advertising man's hat. Rather we believe they come from *beneath* the hat.

BATTEN, BARTON, DURSTINE & OSBORN

Incorporated
ADVERTISING

383 MADISON AVENUE • NEW YORK

CHICAGO
McCORMICK BUILDING

BOSTON
10 STATE STREET

BUFFALO
RAND BUILDING

very happy to say that our store has a radius of more than forty miles, extending to one hundred miles."

With this broadening of the city trading radius and the advent of the automobile and good roads, there has also come a change in the methods and mode of living in small towns.

The women, about whom we were particularly interested in this survey, have become better buyers, have become more style-conscious and more city-minded.

To quote again from the Pelletier Company: "The hundreds of charge accounts which our business has developed in the surrounding small towns are among the most active on our books. Small-town women are coming more and more to demand style merchandise. They are alert for new fashions, new labor-saving devices, new trends in home modernization and home decoration."

The Rike-Kumler Company, Dayton, Ohio, says: "These out-of-town patrons, as a rule, buy good merchandise. Many of them pay cash, but not a few avail themselves of our charge-account privileges. We have a considerable number of these out-of-town customers on our personal service lists and many of them shop through this service."

Most Discriminating

The Troutman Company, Blairsville, Pennsylvania, tells us: "We find this class of trade to be the most discriminating and can safely say, as a rule, better judges of merchandise than the town folks."

Stix, Baer & Fuller Company, St. Louis, Missouri, say: "Style consciousness is, to our way of thinking, one of the most important factors in modern retailing, and it is none the less marked in smaller cities and towns. The whole scheme of modern life brings news and education to communities that were comparatively isolated less than a generation past, with the result of an enlightened sophistication that makes the shopper from such districts as alert and discriminating as her city sister."

The Kerr Dry Goods Company, Inc., Oklahoma City, Oklahoma, says: "The women in the smaller towns are buying with more intelligence than heretofore. They are more citified in their viewpoint, know more about style than ever before and are eager for the newest things not only in apparel and accessories but also in home furnishings and home appliances. It is logical, therefore, for them to turn to the city shopping centers, where selections are not only larger but more up to date."

The Pelletier Stores Company, Topeka, Kansas, says: "It is certainly a fact that small-town women are more and more coming to the larger trade centers to do their shopping. The hard-surfaced roads and better automobiles are big contributing factors. Also, the small-town woman is becoming style conscious. She is becoming as modern as her sister in the larger cities and is growing more and more discontented with the selections of merchandise offered in the small stores of her own town."

Franklin
Johnston



Franklin Johnston, who for twenty-two years has been publisher of the *American Exporter*, is writing a series of brief, informative articles on the subject of exporting, especially for the readers of SALES MANAGEMENT. The first of these articles will appear in an early issue of this magazine. Mr. Johnston is widely known as the publisher of *American Exporter* magazine. He will put into the articles for SALES MANAGEMENT conclusions drawn from his wide contacts with leading exporters and first-hand investigations of Latin American and European markets. He points the way to wider opportunities in overseas trade.

The increase in business done by these metropolitan and department stores with the small-town families is becoming a very important part of the life of these stores.

Approximately 20 per cent of the business of the Rike-Kumler Company comes from people living in the small towns surrounding Dayton.

Forty per cent of the gross sales of the Pelletier Company comes from the territory surrounding Sioux City.

Loveman, Berger & Teitlebaum report between 30 and 40 per cent of

their business coming from the small-town districts.

The Muller Company, Ltd., says that about 40 per cent of their charge accounts are outside of Lake Charles.

The Kerr Dry Goods Company, Inc., estimates 20 per cent of their business comes from outside Oklahoma City and believes that this will increase from year to year.

In one other store in St. Joseph, Missouri, where they make a practice of taking the name and address of every customer, the percentage of business from small towns and rural communities runs as high as 62 per cent.

All this leads us to the belief that manufacturers of many lines can very profitably cover the metropolitan, small town and farm markets with a comparatively few number of retail outlets.

The old idea that products, even so-called luxury products, must have distribution in every hamlet before they can be so-called nationally distributed is no longer true.

Practical Salesmanship for Tyro and Veteran

"Salesmanship," says W. L. Barnhart, in "Practical Salesmanship," the Ronald Press Company, "is the power to persuade people to do what they hadn't intended or wanted to do—with a resultant profit to them for doing so." The author develops the thought that no matter how the salesman operates or what he sells, sound selling demands that this basic principle be not ignored.

The volume is well written. There is no attempt to make a mystery of selling. There is no attempt to create in the mind of the reader the thought that salesmanship is an art. On the contrary, hard work and a respect for the thoughts and ideas of fellow men are the two vital factors, according to the author, who points out that salesmanship is creative in that it provides a fundamental service.

The subject is handled in a common-sense manner that leaves little to the imagination and for that reason the man who has spent years in the field and the ambitious youngster who is just starting on a sales career may find the book interesting and of practical value.

Helping the Salesman Become a Better Salesman

A book written for the avowed purpose, according to the author, of helping salesmen become better salesmen, is "The Way to More Productive Selling," by Charles C. Casey (152 pp., McGraw-Hill Book Co., Inc., \$2.00). Simplicity of expression lends force to the thoughts of the writer, who emphasizes the value of intensive cultivation of prospects. The volume presents some advanced thoughts on selling, but it should be of as much assistance to the man just starting on a sales career as to the man who has spent some time in the field.

"Altitude" for the Airplane Sales Curve

BY GEORGE A. WIES

TWENTY planes have been sold as a result of a contact and sale I made about a year ago when I took Harry Hall for a demonstration flight. After two more demonstration rides Mr. Hall purchased a small plane suitable for the purpose of learning to fly.

While he was still learning he brought out to the field a friend who thought he wanted to learn to fly. I demonstrated another small plane and soon started to teaching him in his own plane. Both of these men brought other friends, all brokers, who have purchased planes from me.

My first sales contact has since bought a much larger plane. After completing his instruction and delivering his plane to him, I continued to guide him in his flying. From time to time I flew with him to check any bad habits he might be developing. When he had become a competent pilot I took him on a long cross-country trip in a large plane for which I had the agency. As a result of this trip he bought a large plane, now competent after patient and thorough training. Some of his friends also bought second and larger planes from me.

Need for Post-Selling

These incidents are typical of the salesmanship problem faced by the dealers in America's fast-growing aviation industry. They show first the need of post-selling and servicing buyers and indicate quite clearly that the dealer's entire future business depends upon the good will of his sales contacts.

Airplane selling differs from auto selling in at least one important respect: when the auto buyer purchases his first car and learns to drive he normally buys to the limit of his desires. The aviation enthusiast, however, does, or should, purchase for his first plane one that serves him to learn to fly. Once a competent pilot, with his private license of fifteen hours' flight requirements, his limited license with its fifty-hour requirements, or his full transport license necessitating over 250 hours' flying time, the aviation amateur does or



© Ewing Galloway

The airplane salesman spots his prospects and often learns their status by noticing the type of car in which they arrived at the field. The dealer is always on the lookout for interested amateurs, who appear particularly on Sundays and holidays. This parking station is at Curtis Flying Field, Garden City, Long Island.

should buy a full-sized plane giving him cruising radius, speed, special comfort and passenger room to suit his particular desires.

When the dealer sells the newcomer his first plane it should be a training plane. To be sure, the commission is not long, but if the buyer learns to fly easily he is ready soon for a large or fast plane, on which the commission is really interesting. If the dealer has nursed him properly during the training period, the buyer takes the dealer's advice, with no argument, on his second purchase.

While this is a long process, requiring patience on the dealer's part, it is also long in profit. A Long Island dealer recently delivered a high-powered plane to a buyer who had finished only his minimum course of ten flying hours. The dealer did not coach the buyer in the peculiarities of the new plane, particularly the fact that it landed fast. Naturally, the

buyer on his first flight misjudged the distance on landing and crashed a fence. The dealer had made two careless mistakes. He had sold the buyer too powerful a plane for a beginner and had not coached him as to its differences from the slow-moving and easy-landing training plane. Disregarding these two principles has cost this dealer a customer and the flying industry a booster, who, after this mishap, gave up flying to become a knocker.

So important is it for the dealer to make a flying booster out of every buyer by post-selling and servicing that he could well afford to make smaller profits for the next few years, as I believe the investment returns on good will will more than repay him.

In my own case, as a distributor for Stearman and Monocraft planes in New York and New Jersey and a dealer on Long Island, I can trace

(Continued on page 45)

California and Texas Get Ready for More Aggressive Promotion

To the "signs of prosperity" for 1930 SALES MANAGEMENT would add the promotion program of cities and sections of America's two largest states in size and potentialities—Texas and California.

In addition to extensive building and development plans now under way, these and contiguous states will spend next year about \$2,000,000 for advertising, from two-fifths to one-third of the nation's total.

Largest among promotion organizations in these states is the All-Year Club of Southern California, at Los Angeles, one of the most consistent and probably the oldest community advertiser in the country, which is now spending \$511,000 for space alone in the fiscal year to end June 30, and the budget of which next year, Don Thomas, executive secretary, tells this magazine, is "not expected to be less."

Californians, Inc., the organization advertising the northern and central part of the state, and particularly the San Francisco Bay region, is now raising a fund of \$400,000 for 1930. Alameda County (Oakland), San Diego and Long Beach are also spending large sums for promotion purposes.

The "conversion" of the Southwest districts and communities to advertising is more recent, but their progress, particularly in the past year, has been faster. More than \$640,000 was appropriated in 1929 by nine community organizations—the largest giving Dallas \$150,000 and San Antonio \$130,000. New Orleans is now spending \$100,000; the Oklahoma State Chamber of Commerce, \$85,000; Hot Springs, Arkansas, \$60,000; Galveston, \$45,289; Tulsa, \$27,500; El Paso, \$22,100; and South Plains, Inc. (Lubbock), \$22,000.

Denver, Salt Lake City, Seattle, Spokane, Portland and Phoenix and other cities in the Southwest and on the Pacific Coast are also continuing their programs, aided by the railroad and steamship lines serving them. The Southern Pacific Lines alone will spend \$1,000,000 this year.

Most of the appeals are for tourists—the idea being that once people of the East have seen this Western country the problem of attracting industries, firms and permanent residents will have been largely solved. From a result standpoint the programs are of particular interest. Nine consecutive years of national advertising

helped to increase the number of tourists to Southern California from 250,000 annually in 1921 to more than 1,000,000 in 1929, Mr. Thomas said.

The program has been effective in stimulating travel in the summer as well as in the winter.

This year, Mr. Thomas explained, 570,085 summer tourists visited Southern California—an increase of 92,407 over 1928. Five hundred and five thousand, four hundred and thirty-eight persons in 179,123 automobiles entered the state from May 15 to October 31, while 162,728 came by rail, water and stage and air lines. The number of tourists in this city last year was greater than its entire population nine years ago.

In addition to general media, Californians, Inc., is devoting much of its efforts to class magazines and to a campaign in business magazines, telling of the industrial and business opportunities of the San Francisco Bay region. This program emphasizes San Francisco as America's coolest summer city and much of its effort is expended in that season. There has been a mean average annual increase in summer travel to this part of the state of 155,000 over recent years, R. H. Weisbrod of Californians, Inc., told this magazine. In 1929 there was a gain of 49 per cent in inquiries over the previous year.

Both sections of the state are combining periodically in running double-page insertion in the *Saturday Evening Post* to sell California as a whole. The next of these advertisements will run March 8.

This coordination is also being worked out in some degree in the various Southwestern campaigns. Their effect, explains R. L. Thornton, president of Industrial Dallas, Inc., is not to create a competitive situation between the cities, but to focus the attention of the entire nation—the business man, manufacturer, shipper and tourist—upon the advantages of the entire territory.

Grain Products Firms Merge

New England Grain Products Company, of Boston, a subsidiary of Corn Products Refining Company, has been merged with the W. N. Potter Grain Stores—the new company being known by the latter name. The two organizations own mills in Vermont and Massachusetts and some thirty retail stores throughout New England. R. J. Sackett of Grain Products will be president.

Sixty Miles of Towels for New York Hotel

Sixty miles of toweling and thirty-two acres of sheets, enough to supply the annual needs of a city of 30,000 population, have been ordered by the New Yorker, largest and tallest hotel in New York, the Cotton-Textile Institute announced this week.

Some 400,000 textile items—for window shades, curtains, bedspreads, uniforms, tablecloths and a number of other purposes—will be employed.

The hotel, at Thirty-fourth Street and Eighth Avenue, opened this week.

National Biscuit Back in Magazines; Budget 30 Per Cent Higher

With resumption of advertising in magazines after a lapse of several years and an increase of 50 per cent in the size of insertions in newspapers, the National Biscuit Company has increased its advertising budget about 30 per cent for 1930, George Oliva, advertising manager, told SALES MANAGEMENT this week. The number of newspapers, now totaling 400, also is slightly larger.


Thirteen magazines are on the company's schedule—all except *American Magazine* and *Cosmopolitan* being women's publications. One column has been added to the space in newspapers, where insertions of three columns by eight inches will appear weekly.

There has also been a slight increase in the advertising program of Shredded Wheat, controlled by National Biscuit, Mr. Oliva said. The Shredded Wheat advertising is handled by Frank Presbrey Company; the other products by Calkins & Holden.

Detroit Aircraft Forms an Export Division

Detroit Aircraft Corporation has established an export division, to handle sales in South and Central America, China, Japan, Australia, New Zealand and South Africa, under the direction of I. J. Miranda.

C. R. Norton is now Eastern sales representative of the corporation, with headquarters in New York. Mr. Norton is a former sales manager of the Packard Motor Company.

ESTABLISHED 1888  INCORPORATED 1891
 CAPITAL & SURPLUS OVER \$3,000,000
THE PATERSON PARCHMENT PAPER CO.
 MANUFACTURERS OF
 GENUINE VEGETABLE PARCHMENT
 PASSAIC NEW JERSEY
 UNITED STATES OF AMERICA
 December 5th, 1929

OFFICERS & DIRECTORS
 WILLIAM H. BRUNNER
 GEORGE L. LEONHARD
 GEORGE C. RAY
 ALBERT F. LEONHARD
 CHARLES H. CASHMORE
 RICHARD T. ANDERSON
 H. BYRON WEGARDE
 MILTON F. GLENNER
 JOHN W. GUTERSON
 WILLIAM C. LEONHARD

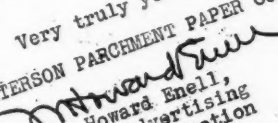
ADVERTISING AND SALES
 PROMOTION DEPARTMENT

Mr. W. A. Forbes,
 Platt-Forbes, Inc.,
 468 Fourth Ave.,
 New York, N. Y.

Dear Mr. Forbes:

When you mentioned that you were going to talk to the Sales Representatives of **THE NEW YORK TIMES**, the following thought occurred to me. I wonder if they realize what a powerful medium they have in their Sunday Magazine Section, as a way to reach food buyers. In our experience we have found it outstrips many publications which claim to have an exceptional appeal to the food-buying public.

To sum it all up, it seems to me if a paper is well edited, its advertising pages will be read with confidence whether or not the publication is edited for a food market.

Very truly yours,

 W. Howard Enell,
 Manager Advertising
 and Sales Promotion

THE PATERSON PARCHMENT PAPER CO.

MR. FORBES told the stories of five advertising successes in The New York Times Magazine—Stakmore, Patapar, The Child Welfare Guild, "\$ My Finances \$" and The Living Tree Guild. Send for a reprint of this story of facts.

The New York Times

MAGAZINE

A part of the Sunday edition. Printed and illustrated in Rotogravure

McKesson & Robbins Is Cited as Trust; Continues Growth

McKesson & Robbins, Inc., a chain of sixty-one drug wholesalers supplying 18,000 retail druggists throughout the United States with the products of 100 manufacturers, was cited by the Federal Trade Commission this week in a complaint alleging restraint of trade in violation of the Clayton Anti-trust Act.

Two days later the charges were denied by F. Donald Coster, president of the company, who pointed out that its program had the full approval of the United States Department of Commerce before it was put into effect in 1928.

"Any overlapping of territory between the different wholesale houses acquired was incidental, and the effect of the McKesson & Robbins acquisitions has been to continue and increase competition in the wholesale drug field," Mr. Coster said.

"The organization has made possible a comprehensive service to independent drug retailers and has been enthusiastically indorsed by retailers the country over. We are confident that the facts to be shown in any investigation by the Federal Trade Commission will result in a dismissal of the complaint."

McKesson & Robbins is continuing its aggressive expansion program. One phase of it is the establishment this week of a new publication, *Selling and Service*, devoted to merchandising methods and to be sent monthly to the cooperating retail druggists, wholesalers and manufacturers.

An important department covers current "free deals" of national manufacturers. Another department is devoted to a prize contest, which is being inaugurated for the purpose of the "exchange of ideas and actual results 'following through' on manufacturers' sales suggestions."

Information facilities of various departments and bureaus of the United States Government are to be covered in a monthly "Washington Page," with the suggestion that the reader may obtain further information from the recently established Washington office of McKesson & Robbins, in the Munsey Building.

The publication carries advertising—the first issue, of forty-eight pages, containing only thirteen of "reading matter"—and may be had for twenty-five cents a copy or three dollars a year. The publication office is at 83 Cliff Street, New York.

Thompson Extends Into 15 Countries

J. Walter Thompson Company has just opened new foreign offices in Bombay, India; Montreal, Canada; and Sydney, Australia—bringing the total to fifteen in as many countries.

The Bombay office is in the Asian Building, Ballard Estate, in charge of Frank R. J. Gerard, formerly of the New York headquarters. The Montreal office is in the Dominion Square Building, under Robert Flood, for two years chief of copy and account executive for the Rein Company. Arthur E. Hobbs will be in charge at Sydney—being assisted by Stanley Holt and A. M. Ross, formerly of the New York headquarters. Frazia Childrey is to leave New York early this month to become art director there, and Edwin G. Rutt and Mrs. Rutt, of New York, will join the copy staff.

The Madrid office of the company has been moved to larger quarters in the Plaza del Callao, 4, where twenty people are now employed.

Scovill Company Buys A. Schrader's Sons

A. Schrader's Sons, Inc., manufacturers of automobile accessories, Brooklyn, has been acquired by outright purchase by the Scovill Manufacturing Company, Waterbury, Connecticut, an executive of the Scovill company told SALES MANAGEMENT this week.

Phillip G. Cole, president; William T. Hunter, vice-president, and Frederick Trissman, secretary-treasurer of A. Schrader's Sons, will continue in the management of the plant.

Textile Firms Merge

A merger of the T. Holt Haywood and the Dickson & Valentine departments of Frederick Victor & Achelis, Inc., textile factors of New York, to be known as Haywood, Mackay & Valentine, Inc., was announced this week. The personnel of the merged organization will be virtually unchanged. To provide for direct contact with mills an office will be opened in a few days at Winston-Salem, North Carolina.

Grain Publications Unite

The *Grain Dealers' Journal* and the *Grain World* have been consolidated and will be published under the former name semi-monthly at Chicago under the direction of Charles S. Clark, who established the former publication thirty-two years ago.

Concentration of Radio Lines Urged by Ray; Stability Forecast

"The experience of the past year has shown that the dealer cannot profitably spread his selling efforts over a multiplicity of radio lines without limiting his profits and increasing his business risks," J. L. Ray, vice-president of RCA-Victor, Inc., pointed out in a statement this week on business conditions.

"The dealer has learned," Mr. Ray said, "that the smaller the number of conflicting radio lines he carries the greater his concentration of selling effort, the lower his cost of operation and the smaller the risks involved—all of which factors mean larger profits. It will be the problem of the farseeing dealer to choose carefully radio products which, on the basis of past experience, insure stability and permanency as well as immediate profit."

"I believe that the year 1930 will see important progress toward the further stabilization of the industry."

Electric Auto Lite Named to Supply New Ford

Henry Ford will dismantle several of his small parts departments and will turn over the making of his entire output of generators to the Electric Auto Lite Company, Toledo, according to announcement this week.

In order to take care of this business the Auto Lite Company is rushing to completion a \$1,000,000 addition to its present plant. The company obtained the contract for all the Ford generators because it put in a bid lower than the cost at which Mr. Ford himself could produce them.

Now Beecher-Cale-Maxwell

The name of Beecher-Maxwell, Inc., St. Louis, has been changed to Beecher-Cale-Maxwell, Inc., on the association with the firm of Algernon S. Cale, formerly vice-president of the D'Arcy Advertising Company, in charge of the Atlanta office as vice-president. Edward Beecher is president, Joseph A. Maxwell a vice-president, and Lynn A. Gratiot secretary-treasurer.

Plan West Indian Tour

Chambers of Commerce throughout New England will participate in a twenty-two day goodwill cruise of Cuba, Jamaica, the Panama Canal and Costa Rica, which will start from Boston March 22. One hundred executives are expected to participate. The United Fruit Company is making the arrangements.

"He bought one of our TRACTORS



from an OFFICE demonstration"

Demonstrating with movies is fully as effective and much less expensive than costly out-of-doors method.

"DEMONSTRATE your tractor right on my desk?" The buyer's tone was incredulous.

"Right on your desk! And, in twenty minutes, you can decide whether you want to buy." The salesman seemed sure of himself.

At the prospect's "Go ahead," a picture flashed on the screen of a portable movie projector.

Instantly, the prospect forgot all else save the movie presentation. He held his breath as the tractor tilted precariously... leaned forward as it pulled its ponderous bulk out of a pit... hunched his shoulders as it wrested a huge boulder from its hard-packed setting. His eyes scrutinized each detail of its construction... peered into every hidden part.

When the show was over, he looked up and said, "Young man... you win! What's your proposition?"

That's the tremendous power of Ciné-Selling. It familiarizes the prospect with

every detail and gets him warmed up in a few minutes, thus giving your salesman plenty of time to close the sale.

TO SALES EXECUTIVES: *Skilled Specialists Produce Picture Stories of Any Product*

Experienced producers (names on request) now specialize in making films for Ciné-Selling. They transform your data into an interesting and convincing film. Then, with the Business Kodascope, your salesman stages the movie presentation right on the prospect's desk.

This ingenious projector shows brilliantly clear pictures on its built-in screen. Your man pulls down no shades and moves no furniture. He's ready one minute after entering the office.



Business Kodascope is for 16 mm. films (usually reduced from 35 mm. originals) and shows a bright, clear picture to one person or to a group. Embodies every feature that the salesman wants. Yet the price is but \$90.

Let us send you complete details about this latest device and what motion pictures can do for your sales. Mail the coupon today.

SEND COUPON FOR FACTS ABOUT CINÉ-SELLING

If you have—

- A merchandising program to present;
- A service to offer;
- A product that can't be demonstrated in an office;
- A mechanism with hidden merits;
- A statistical story;
- Distributors to instruct;
- Or anything to sell that requires an explanation as to its appearance, construction or use.

EASTMAN KODAK COMPANY, Rochester, N. Y.
Please send me, "The New Way to Greater Profits—Ciné-Selling"

Name.....

Title

Firm.....

Address.....

SM-1-4

The Eastman BUSINESS KODASCOPE

General Foods Abandons Dealer Profit-Sharing Program

The General Food Corporation has withdrawn its profit-sharing plan of discounts based on sales increases of its products. Customer dissatisfaction is given as the reason. The company hopes to find another plan which will give effect to its "fundamental purpose of rewarding those who by their efforts contribute to the company's progress." The plan now abandoned gave discounts for increases by stores. This discouraged large chains from trying to earn the discount.

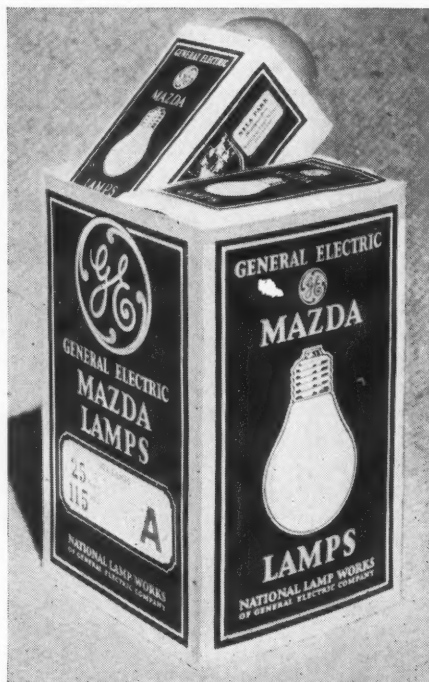
The formal announcement, signed by Edwin E. Taylor, executive vice-president, follows:

"In the development of our business we recognize that increased profits must accrue chiefly from increased sales. Because of our customers' contribution to our promotion efforts, it has been our desire adequately to reward those who by their efforts in behalf of our products, contribute most to our progress. It was for this reason that we announced on March 31, 1928, an experimental plan for the sharing of any profits that would result from increased sales. This proposal was known as our extra profit plan. At the close of 1928, with the experience of only nine months behind us, we were faced with two alternatives; either to continue the plan until enough time had elapsed to prove or disprove its worth, or to withdraw it.

"We decided to continue the experimental plan in a modified form during 1929, as evidence of our sincerity of purpose in inaugurating it, and also to give it an adequate chance to show what values it possessed for our customers. As the year 1929 progressed, we became increasingly aware that the majority of our customers were dissatisfied with the plan. Thereupon, we sought to determine whether some particular features, which might be corrected, were the main cause of dissatisfaction; or whether our customers objected to the principle of reward for increased volume, which was the particular expression of the profit-sharing idea on which our plan was based. A thorough investigation clearly indicated that the majority opposed the principle. The plan is withdrawn therefore, effective December 31, 1929.

"Although this experiment has not proved acceptable, we shall earnestly endeavor to find some other plan which will give effect to our fundamental purpose of rewarding those

who by their efforts contribute most to our progress, and which will be fair and attractive to all of our customers. With the exception of the withdrawal of the extra profit plan, no change in our sales policy is planned or contemplated."



A six-lamp carton, without top or bottom, has recently been put into use by the National Lamp Works and the Edison Lamp division of General Electric Company. The lamps are packed, as before, in two rows of three each. However, four flaps stamped in one side of the carton, are pushed in when the carton is filled, holding the two end lamps in firmly.

RCA-Victor Appoints MacEwan Secretary

E. K. MacEwan has been appointed secretary, and Francis S. Kane and Walter H. Hunt, assistant secretaries, of the new RCA-Victor Company, Inc. Mr. MacEwan has been associated with the Victor Talking Machine Company since its incorporation in 1901 and has been secretary since 1920.

Paul G. McCollum has been appointed assistant comptroller and Robert F. Alexander, Eugene F. Haines and Cornelius G. Terwilliger, assistant treasurers.

Retailers to Outline Stabilizing Methods at New York Meeting

"The merchants' part in stabilizing business" will be analyzed by the National Retail Dry Goods Association in annual convention at the Hotel Pennsylvania, New York, February 3-7.

"Of the thirty-three key industries, represented at the Hoover conferences," explained Channing E. Sweitzer, managing director of the association, "retail distribution is one of the powerful factors. It uses more capital and gives employment to more people than any other industry. Its total sales volume in 1928 was estimated at some \$44,000,000,000. A recent bulletin from the Cleveland Trust Company points out that in value of stocks listed, retail selling is sixth. For these reasons, the year 1930 offers greater opportunities of progress to the merchants of this country than ever before."

Changes in consumer demand and the interpretation of business statistics and trend, will occupy an important place on the agenda.

Wholesalers to Analyze Merchandising Service

The Wholesale Dry Goods Institute will meet at the third annual meeting at the Hotel Pennsylvania, New York, January 21-22, to discuss "The Merchandising Service of the Wholesaler."

"Today," explained Flint Garrison, director general of the institute, "the independent retailer needs not only a source of merchandise supply, but a source of merchandising and organization counsel and cooperation."

A small section of a model store is to be set up at convention headquarters.

Inventory Does Not Halt Philco Production

Contrary to the usual practice, the Philco radio factory will continue production through the inventory period, it has been announced. Unusual activity for this time of the year has been brought about by orders for the new console model, recently introduced, it is said.

Carload shipments of radios to all parts of the United States followed a meeting of approximately 300 Philco jobbers who gathered last week in Philadelphia.

The Ports of call for Caslon Bond



PECULIAR advantages of manufacture give Caslon Bond uniform watermarked quality well above its cost, and a popular price that established a new "low" for quality bond papers. It is distributed by the following paper merchants, in white and twelve of the most beautiful colors in the bond field, all weights and sizes, with envelopes to match. Call the nearest merchant listed, or write to the manufacturers for test sheets and sample book showing all colors and weights.

Augusta, Me. . . *The Arnold-Roberts Company*
 Baltimore, Md. . . *The Mudge Paper Company*
 Birmingham, Ala. . . *The Whitaker Paper Co.*
 Boston, Mass. . . *The Arnold-Roberts Company*
 Butte, Montana . . . *Butte Paper Company*
 Buffalo, New York . . *Seaman Paper Company*
 Chicago, Ill. . . *Dwight Brothers Paper Company*
 Chicago, Ill. *Seaman Paper Company*
 Chicago, Ill. . . *The Whitaker Paper Company*
 Cincinnati, Ohio . . *The Whitaker Paper Co.*
 Cleveland, Ohio . . *The Central Ohio Paper Co.*
 Dallas, Texas *Olmsted-Kirk Company*
 Denver, Col. *Dixon & Company*
 Des Moines, Iowa . . *Seaman Paper Company*
 Detroit, Mich., *Seaman-Patrick Paper Company*
 Galveston, Texas . . *Southern Trading Company*
 Indianapolis, Ind., *The Central Ohio Paper Co.*
 Kansas City, Mo., *Birmingham & Prosser Co.*
 Kalamazoo, Mich., *Birmingham & Prosser Co.*
 Little Rock, Ark. . . *Roach Paper Company*
 Los Angeles, Calif., *Carpenter Paper Company*
 Milwaukee, Wis. . . *Dwight Brothers Paper Co.*
 Minneapolis, Minn. . . *Seaman Paper Company*

New Haven, Conn. . . *The Arnold-Roberts Co.*
 New York, N. Y., *Marquardt, Blake & Decker, Inc.*
 New York, N. Y., *Vernon Brothers & Company*
 New York, N. Y. . . *The Whitaker Paper Co.*
 Philadelphia, Pa. . . *Lindsay Paper Company*
 Philadelphia, Pa. . . *Satterthwaite-Cobaugh Co.*
 Philadelphia, Pa. . . *Whiting-Patterson Co., Inc.*
 Pittsburgh, Pa. . . *The Whitaker Paper Company*
 Portland, Ore. *Carter, Rice & Company*
 Providence, R. I. . . *The Arnold-Roberts Co.*
 Richmond, Va. . . . *Virginia Paper Company*
 Salt Lake City, Utah . . *Dixon & Company*
 San Francisco, Calif. . . *Carter, Rice & Co.*
 Seattle, Wash. . . . *Carter, Rice & Company*
 Shreveport, La., *Tri-State Wholesale Paper Co.*
 St. Louis, Mo. *Seaman Paper Company*
 Springfield, Mass. . . *The Arnold-Roberts Co.*
 Washington, D. C. . . *Virginia Paper Company*
 Wichita, Kansas . . . *Kansas City Paper House*

For Export: *Parsons & Whittemore, Inc.*
 NEW YORK, N. Y.

THE POPULAR-PRICED PAPER
 FOR THE WORK-A-DAY WORLD.

CASLON

Reg. U. S. Pat. Office



BOND

Westinghouse Refrigerators Soon; Introduce New Type of Showrooms

An important new factor entered the electric refrigeration field this week when the refrigeration department of the Westinghouse Electric & Manufacturing Company, at Mansfield, Ohio, started production on an extensive scale, after several years of product and market research. Retail distribution will start, from Pittsburgh and Detroit, February 1, and will be confined to the territory east of Chicago and north of Virginia for the rest of the year.

Distributors have been appointed in the larger cities in this territory, Carl D. Taylor, manager of the department, announced to SALES MANAGEMENT, and especially designed showrooms have been prepared for dealers.

Newspapers and posters will be employed on an extensive scale throughout the distribution area, with display signs in metropolitan centers.

The new refrigerators are built in five models, from five and a half to seventeen cubic feet in capacity, and in two finishes, lacquer and porcelain enamel. The refrigeration unit is on top beneath a hood. The motor and compressor for the condenser are hermetically sealed and cooled by a fan operated by magnetic force passing through the steel from the motor. "This accomplishment," Mr. Taylor said, "is possessed by no other refrigerator. The unit uses only one pound of sulphur dioxide. Prices are very close to cost."

Unusual display rooms have been created for dealers and distributors of the new refrigerator, under the direction of Carl Broemel, president of the Cleveland Artists' Association, assisted by officials of the company, which emphasize a note of informality. A standardized plan of decoration and arrangement is being used and will be extended on a national scale when distribution is achieved.

As the prospect enters the showroom he sees the refrigerator models grouped around the wall. In direct line of view is a group of furniture, only four pieces, three of them chairs, the other a table, where it is expected Mr. and Mrs. Customer and Mr. Salesman will sit to write the order.

The number of furniture groups, of course, depends on the size of the showrooms, but except for variations in colors of upholsterings shades, table covers and rugs, the decoration scheme is essentially the same in every group. In each group there will be a maple butterfly table, of an extremely grace-

ful design, on which are set two antique-style electric lamps, designed like the old-fashioned copper coal-oil lamps. Gay parchment shades adorn these lamps. A centerpiece of bright, California straw flowers, in a painted crockery bowl adds life to the composition. The centerpiece and lamps are set on an India-print cloth cover.

Syracuse Plans New Line of Ironing Machines

A new line of ironing machines will be announced soon by the Syracuse Washing Machine Company, Syracuse, New York, L. R. Boulware, general sales manager, told SALES MANAGEMENT this week.

The company expects a 25 per cent increase in volume this year, through the introduction of the new model, which will be sold through the present dealers, public utilities companies, and new department stores.

The advertising program planned by the Syracuse Washing Machine Company will also be substantially increased, according to Mr. Boulware. The present schedule of *Saturday Evening Post*, *Country Gentleman* and metropolitan dailies, and cooperative advertising with dealers will be augmented by space in the *Ladies Home Journal* and *Good Housekeeping*.

Osborn Will Direct Radiotron Sales

G. C. Osborn and W. T. L. Cogger have resigned from the General Electric Company to join the RCA Radiotron Company, as vice-presidents respectively in charge of sales and manufacturing. They will assist T. W. Frech, formerly vice-president of the General Electric Company, whose election as president of RCA Radiotron Company was announced in this magazine last week.

J. E. Kewley is now acting manager, M. L. Sloan assistant manager of the incandescent lamp department, and E. E. Potter general sales manager of the Edison division of the incandescent lamp department.

Sterling Promotes Keenan

Henry C. Keenan has been elected a director of the Sterling Motor Truck Company to succeed the late William G. Sternberg, Sr. Mr. Keenan, previously vice-president in charge of distribution, has become executive vice-president. He will continue to have supervision of sales.

Macfadden Magazines Plan International Expansion Program

An international expansion program by which several of the magazines of the Macfadden Publications, Inc., will be published in German, Swedish, Danish, Norwegian, Finnish, Austrian and Spanish editions, has been inaugurated under the direction of J. E. Williamson, who is opening European headquarters for the company in London.

From the *True Story* standpoint, the program is not altogether new. Three years ago an arrangement was made with a German publisher to issue a monthly edition of that magazine re-writing the stories where necessary to comply with what was then thought to be the German appeal. *True Story* now has a circulation of 240,000 in that country.

With the success of the German edition, Swedish magazine publishers asked for the syndicate rights to *True Story* and translations of the American editions, pictures and all have now been printed in Swedish, Danish, Finnish, and Norwegian.

This year a regular Continental edition will make its appearance in the news stalls of these countries—identical with the American edition, but printed in the various languages. Another edition will be printed for Central European readers at Budapest within the next six months, and an office will be established this year at Barcelona, Spain, to handle manuscript for syndication only.

A complete Spanish edition will be ready in 1931.

To protect the newly formed Macfadden International Group in South America, the Spanish edition will export only 15 per cent of its copies to South America, this last section being held for a South American edition, plans of which are now being perfected.

With the opening of the London office soon, the complete American edition will be printed in gravure, from page photographs sent from New York. In addition there will be an A. B. C. audit supplied the advertiser for the English edition.

Two other Macfadden publications are also invading England and Germany, *True Experiences* having a sale exceeding 100,000 each month in Germany alone, and *True Romances* with 60,000.

Herbert Fields, a former vice-president of the Gardner Advertising Agency, is now executive assistant to Bernarr Macfadden.



This CHART helps your printer save *your* money

IT'S expensive to specify sizes of printed pieces by guesswork. You're almost certain to hit on uneconomical dimensions. And that means extra work for your printer . . . and extra cost to you.

For instance, here are just a few of the operations that an odd-sized mailing piece entails: First, your printer has a complicated estimate to figure out. Then he must shop all over town to find some special-sized paper sheets that won't waste too much in the cut.

Usually they're not to be had. He orders them to be made at the mill. He orders special-sized envelopes (which may not fit your mailing machines). When everything is finally delivered, there must be special instructions and handling all through his plant.

All this is unavoidable overhead. But it all costs money. Your printer has to add it on his bill. And it all began right at your desk when you specified that odd size.

Yet it's easy enough to cut out this extra expense. Here's a simple way to do it.

The S. D. Warren Com-

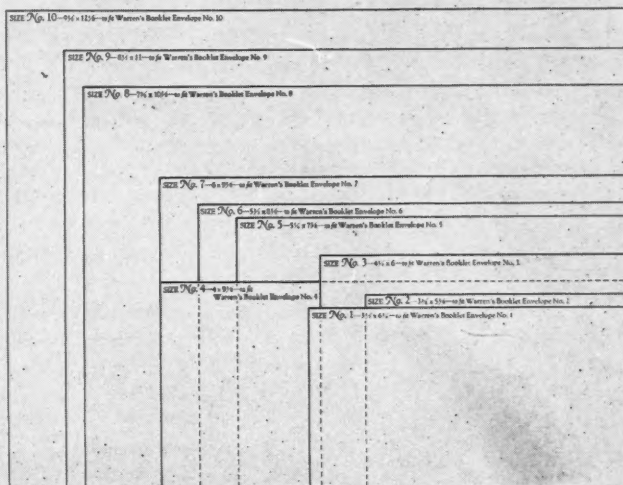
THESE 10 Trimmed Sizes FOR Printed Pieces CUT WITHOUT WASTE

FROM
4 paper sheet sizes in stock
26 x 29
25 x 38
32 x 44
35 x 45

and Warren's Booklet Envelopes to fit are
cut out in sheets of paper from the same
Warren's Standard Printing Paper.

Use

size No. 1—For envelope enclosures
size No. 2—For small booklets or folders
size No. 3—For folders or small booklets
size No. 4—For larger envelopes
size No. 5—For perfect size pieces
size No. 6—For booklets and small envelopes
size No. 7—For envelopes and booklets
size No. 8—For perfect size pieces
size No. 9—For booklets and small envelopes
size No. 10—For perfect size pieces



pany has just prepared a chart of actual sizes for mailing pieces.

These sizes are *right*. They cut economically from standard sheets. They fit standard envelopes . . . that are specially designed for use on mailing machines. And the chart gives plenty of sizes to meet all your requirements.

The Warren Chart is a handy size—only 11" x 17". You can keep it spread out right under the glass on your desk . . . ready to refer to when you plan a mailing piece.

How does it save money? This way. Standard paper sheets and envelopes are always waiting for your printer at the warehouse.

The sheets will fit his presses exactly. He spends no time and money on special paper . . . special envelopes . . . special operations.

And he does a better job for you. He can devote his thought, his time and all his skill to giving your mailing piece that touch of individuality you vainly strive to get with irregular size. It's the *printing*, not the *shape*, that makes a booklet distinctive.

Your printer can supply you with one of the Warren Charts. Keep it handy and use it. You'll be helping him to save **YOUR** money if you do.

If he has none on hand, write direct to us.



S. D. WARREN COMPANY, 89 Broad Street, Boston, Massachusetts

Why Advertise When Oversold? Technicolor Cites Many Reasons

IN answer to a recent comment made in *Variety*, Jerome Beatty, director of publicity for Technicolor, Inc., replies, with some spirit, explaining why the company is launching a big advertising campaign when they have, at the present time, more business than they can take care of. His statement is so interesting that we are reprinting it here: Editor, *Variety*:

In print, in your decorous journal of manners and morals, you have wondered why Technicolor is shooting a million or so in a national advertising campaign.

What has happened to *Variety*, in heaven's name, when it questions the motives behind any advertising appropriation which includes a chunk for *Variety*?

You point out that Technicolor is the only successful color process and that anybody who wants color goes to Technicolor to get it. Therefore, being the leader in a field of one, we are suckers to advertise, according to your philosophy.

Doing Turnaway Business

You say, truthfully, that our laboratories are working up to capacity and that we are doing turnaway business. So why, you gasp, advertise for more?

I should like to write a thousand words or more, hoping to crash *Variety* through the subterfuge of this complaint, with swell publicity for Dr. Herbert T. Kalmus, president of Technicolor, and I might be tempted to include high praise of the Technicolor process as exemplified by Warner Brothers' "Show of Shows," First National's "Sally," Paramount's "Vagabond King," Metro's "The Rogue Song," Radio's "Hit the Deck" and fifty or seventy-five others.

But the thing is too simple. That, perhaps, is why it is so difficult for a publication attuned to the complexities and the false fronts of Broadway to fathom.

Technicolor is building new laboratories. Technicolor is turning out new cameras at the rate of one a week.

In two years, or less, black and white motion pictures will be as scarce as silent pictures are today. Practically everything will be in Technicolor.

A national advertising campaign that increases the gross business on pictures photographed in Technicolor, a campaign that makes the public ask the theatre manager for Technicolor,

and in turn causes him to demand pictures in Technicolor, is bound to hasten the day when Technicolor will be as necessary to a picture as actors.

If the Technicolor company (am I using the name too often?), through advertising, helps the producer and the exhibitor make more money on Technicolor pictures, won't Technicolor, in the end, profit through its campaign?

Wouldn't we be suckers not to advertise? Wouldn't we be inept and unenterprising and slow on our feet if we sat back and did nothing to hasten the coming of the universal use of color?

Let alone, Technicolor would continue its steady growth. But to bring pell-mell the happy day when all motion pictures will be in Technicolor, producers and exhibitors must find out that Technicolor hikes the gross.

"Technicolor" must be made a box-office name. And that's the extremely desirable situation that we are helping to bring about. We're going to make more people go to see Technicolor pictures.

There is nothing up our sleeve. We are advertising nationally so that producers and exhibitors—grossing more with Technicolor—will find that Technicolor ought to be used on every motion picture.

Thus the public will be happier, the exhibitor will be richer, the producers' stocks will rise on the Big Board and Technicolor will find it necessary to build even more laboratories.

JEROME BEATTY,
Director of Publicity,
Technicolor, Inc.

Survey of Surveys

(Continued from page 2)

Putting this in another way, if I earned \$150 a month in a small town and out of that rented my home, my garage and went to the movies instead of the theatre, I would buy just about as many groceries, clothes, automobiles and other every-day products as the man in the city could with \$250 a month.

This *People's Popular Monthly* questionnaire is therefore most interesting. It shows that while the big-city people were making financial whoopee to their eventual sorrow and spending curtailment, the small town went calmly on with its regular buying undisturbed by at least one more expenditure which absorbs the extra money earned in the city.

Two pages of details on the above-mentioned recent study, "What Bankers Say," are available through the New York Office of the *People's Popular Monthly*, 271 Madison Avenue, or through this column.

Account Changes

HEWES AND POTTER, INC., Boston, Spurries, Bulldog suspenders, garters and belts, to Richardson, Alley & Richards Company, Inc., there.

FRIEDRICK & DIMMOCK, New York City, gazing globes, to Frank Presbrey Company, there.

TEMPLETON, KENLY & COMPANY, LTD., Chicago, industrial jacks, to Hurja, Chase & Hooker, Inc., there. Technical, trade and industrial publications.

F. H. KORFF & COMPANY, New York City, consulting and industrial engineers, to Frank Presbrey Company, of that city.

FREEDOM OIL WORKS COMPANY, Freedom, Pennsylvania, gasoline and oil, to Burton Bigelow, Inc., Buffalo. Direct mail, business papers, radio broadcasting and other media.

WHITING-ADAMS COMPANY, Boston, fine brushes, to Badger and Browning, Inc., there.

J. M. McCULLOUGH'S SONS COMPANY, Cincinnati, seed specialists, to Keelor & Sites Company of that city. Magazines and trade papers.

HOMESTEAD HEATER COMPANY, INC., Newark, to O. S. Tyson & Company, Inc., New York City.

WEST HILL NURSERIES, INC., Fredonia, New York, and CLING SURFACE COMPANY, Buffalo, Cling-Surface belt preservative, to Burton Bigelow, Inc., Buffalo. Agricultural, horticultural and mail-order papers for the former; business papers and direct mail for the latter.

FULLER & JOHNSON MANUFACTURING COMPANY, Madison, Wisconsin, to Cramer-Krasselt Company, Milwaukee. Agricultural and trade publications and direct mail.

WALL ROPE WORKS, INC., New York City, to Alfred S. Hearn Company, Inc., there.

GILSON-BOLENA MANUFACTURING COMPANY, Port Washington, Wisconsin, lawn mowers and garden tractors, to Advertisers' Service, Inc., Milwaukee. Agricultural and horticultural publications.

MONARCH CHEMICAL COMPANY, New York City, to Alfred S. Hearn Company, Inc., of that city.

UNIVERSAL PUMP AND TANK CORPORATION, Cleveland, oil and grease dispensing equipment for service stations, vapor control valves for bulk storage plants, etc.; and the CADWELL TRACTOR COMPANY there (Caterpillar tractor dealers covering seventeen counties in northeastern Ohio), to The Lee E. Donnelley Company of that city. Industrial and trade publications and direct mail for the former; direct mail for the latter.

MOTOR TRANSIT MANAGEMENT COMPANY, INC., operating Greyhound bus lines, to Reincke-Ellis Company, Chicago.

Gossip

CHARLES E. WILSON, formerly assistant to C. E. PATTERSON, vice-president of the General Electric Company, Bridgeport, has been appointed manager of the merchandise department, succeeding the late H. C. HOUCK. He will continue to have supervision of manufacturing, engineering and sales activities of the department. J. E. N. HUME has been appointed assistant manager of the industrial department.

XAVIER DE NICE has joined the staff of the *American Exporter* as merchandising counsel. He was for ten years export manager of the American Chain Company, and at one time associated with the export departments of Black and Decker, and the Davis and Hupp motor car companies.

FRANK A. WHIPPLE, vice-president and New England manager of the Charles W. Hoyt Company, Inc., New York agency, will be manager of the company's office just opened in the Phoenix National Bank Building, at Hartford.

DONALD MACGREGOR has been placed in charge of the new Washington office of the Copper & Brass Research Association, just opened in the Shoreham Building there. His territory will cover the middle and south Atlantic states, as well as the District of Columbia.

WILLIS B. PARSONS, for the past seven years with James F. Newcomb & Company, Inc., advertising agency of New York, has been appointed advertising manager of Frederic Blank & Company, New York, distributors of Salubra and Tekko wall coverings.

ERNEST C. HASTINGS, editor-in-chief of *Dry Goods Economist* and managing director of The Hart Publications, units of the United Business Publishers, Inc., has been elected to the directorate of the United Publishers Corporation, its largest subsidiary.

JOHN H. SCHREIFFER, formerly with the American Druggists Syndicate, is now with the Chicago office of *Chain Store Age*, where he will specialize on the Druggist Edition of that publication.

HOWARD N. CAPPELL, of the Tubize Artificial Silk Company of America, has been appointed to assist in the supervision of the company's advertising.

G. F. BARTHE will continue as president and general manager of G. F. Barthe & Company, Inc., Syracuse agency, following the recent election of officers. BENJAMIN E. SHOVE, vice-president, was also elected chairman of the board; G. E. HOWES will succeed C. A. CALL (resigned) as treasurer; and R. G. WILSON remains as secretary. JAMES B. LENNIE, until recently with the advertising department of the Federal Radio Corporation, Buffalo, was appointed assistant account executive to the president.

DON R. RANSBURG, for twelve years service manager and director of copy with Henri, Hurst & McDonald, Chicago advertising agency, is now an account executive with Rogers & Smith Advertising Agency there.

CLAUDE C. SMITH has joined the P. F. O'Keefe Advertising Agency, Inc., Boston, as an account executive. Previously he had a similar position with Campbell-Ewald Company, Detroit; Selig-Brun, Inc., and the Federal Advertising Agency. MURRAY PURVES has resigned as New England manager for the *Red Book*.

You Would Gladly Spend a Small Fortune to Get This Man's Business



HE CARRIES three billion dollars in life insurance and pays annual premiums of more than a hundred million dollars; he owns a hundred and seventy-three thousand automobiles; has more than twenty-five million dollars invested in radio sets and spends many millions annually for new sets; owns one hundred and ten thousand homes of average valuation of thirteen thousand, eight hundred thirty-eight dollars; spends more than a billion dollars a year for maintenance, food, clothing, travel, amusements, investments, etc.

You would gladly send a whole squad of salesmen around the world for the opportunity to sell him what he buys regularly of your products or services.

He is the composite Rotarian!

You can tell your sales story to this giant of industry and finance at a cost so small that it seems negligible when compared to the opportunity—through the pages of his own magazine,

THE ROTARIAN

The Magazine of Service

Chicago Evening Post Bldg., Chicago

Eastern Representative
WELLS W. CONSTANTINE
7 W. 16th Street,
New York, N. Y.

Midwest Representative
F. W. HENKEL
306 S. Wabash Avenue,
Chicago, Illinois

Pacific Coast Representatives
NELSON & ROGERS
Underwood Bldg.,
San Francisco, Cal.

COLOR is available in the *Rotarian* at small extra cost—two-color inside pages and four-color process covers and inserts. Rates and complete circulation data will be promptly furnished on request.

Editorials

FRAUD HUNT, NOT A CENSORSHIP: W. E. Humphrey, Federal Trade Commissioner, tells the readers of *Nation's Business* that the public has been protected from loss of half a million dollars in the last six months by what has been done to discourage fraudulent advertising since the commission decided to embrace publishers and agencies in the scope of its inquiries. . . . He makes plain that the commission is attempting no censorship of advertising, that it is dealing only with obvious fraud, not with exaggerated or questionable claims, and that the sole evidence it considers is factual statement contained in published advertisements. In proceedings that are wholly private and unannounced, it gives the advertiser, the publisher and the advertising agent concerned a chance to say what they have to say after the case has been presented. In no instance have publishers or agencies interposed objection to the commission's rulings, and "with the exception of those who apparently specialize in disseminating fraudulent advertising" publishers have expressed willingness to cooperate in suppressing the schemes complained of. . . . There will be no disposition to quarrel with Mr. Humphrey's theory of what is being done to eliminate misrepresentation in advertising, nor is there ground for disputing the accuracy of his historical summary of the work done. The great body of publishers and advertising agencies have the solidest business reasons for welcoming any proper assistance in keeping advertising free from the taint of fraud. They object only to unwarranted interference with legitimate business, and watch with jealous eye adventures in the name of reform that may set up precedents for restrictions inimical to freedom of proper action.

CREATIVE SALESMANSHIP: A growing body of evidence lies behind the belief that salesmanship is entering a new era. According to this theory, little remains of the sellers' market of a decade ago, and not much hope is left for the sheer drive to dispose of goods which came in with the buyers' market. Constructive, creative buying is the new keynote. Charles F. Abbott, executive director of the Institute of Steel Construction, puts the thing in a nutshell when, insisting on the need of as much keenness and alertness as ever, he says: "But salesmanship now must be also helpful rather than pestiferous, welcome rather than unwelcome, informative rather than flamboyant, engineered rather than ballyhooed, researched rather than strong-armed, and serviced rather

than forced." There are point and pith here, not because the genial currents of prosperity are chilling, but because the tides of intelligence are steadily rising.

THE SOUNDER OUTLOOK FOR 1930: Nineteen twenty-nine marked the passing of a period during which it was so easy to sell stock securities in super large quantities without regard for either probable yield or basic merit that a very large percentage of American financial and business men looked for their major income to stock operations of one kind or another. This unsound practice led to excessive speculation, manipulation and even vicious exploitation. Reaction had to come and was seen in the collapse of the securities markets. America is now in a position comparable to the patient whose fever has been broken up. We are definitely over the worst part of a serious illness. . . . Now that the infection has been removed, there is every reason for rapid and steady convalescence. Following a period of a few months during which overproduction adjustments are effected in certain industries, we should move steadily forward to a newer and greater and sounder prosperity. As 1930 progresses money will be available in increasing quantities at normal rates and to an even wider variety of industries. In 1930 it will be almost impossible to sell securities on a non-yield or exploited basis; hence mergers, acquisitions and public financing will reflect only those changes which are provably sound from an income-producing standpoint. Everywhere business men and bankers will concentrate on the ways and means of increasing the earned incomes of the companies in which they are interested. Capital profits through manipulation will be largely taboo. . . . In short, business men and bankers are again thinking, believing and acting in the light of what is sound over a long period. Business at large will and should place especial emphasis on sales and advertising effort, for it is through this motive force that markets at home and abroad can be most fully and most quickly realized. Even if progress is somewhat slow and spotty in the early months of 1930, American business men will not falter in the vigor of their selling effort, for now that their attention is again concentrated on earned income they are too courageous and too farsighted to permit any slackening on these phases of business, namely, sales and advertising, which are obviously the only direct means to permanent maintenance of a maximum volume of production, distribution and profits.

CLEVELAND PLAIN DEALER

(Largest Morning and Sunday Circulation in Ohio)



ANNOUNCES • APPOINTMENT OF • JOSEPH F. KELLY ADVERTISING MANAGER

(EFFECTIVE JAN. 1st, 1930)



REPRESENTATIVES:

John B. Woodward, Inc.

Chicago Detroit
New York Cincinnati
Kansas City

R. J. Bidwell Company
San Francisco

Key Men in Agriculture Help Us Sell the Farmers

(Continued from page 17)

who studies his costs of production estimated that it cost him \$8 an acre more than normal to keep the weeds out of his silage corn last year. A leading university professor has estimated that it cost \$500,000 to thresh the weed seeds in the 1928 wheat crop, and that an additional \$800,000 was paid in freight bills to ship those useless seeds to market.

"The United States Government states that out of 14,000,000,000 pounds of seeds planted annually only 4,000,000,000 pounds are cleaned and then only by inadequate methods. Some 10,000,000,000 pounds of seeds, well-mixed with 99 varieties of weed seeds, go back into the earth to be cultivated.

"Even so-called pure seed is likely to contain thousands of weed seeds. In one analysis of a pound of Alsike seed found to be 98 per cent pure it was also found that this 'pure seed' averaged 18,816 weed seeds in every pound. Figured at ten pounds to the acre, this meant that 188,160 weeds went back into every acre of ground planted with such seed.

"We went to governors, bankers, college professors and others interested in agriculture with such facts as these because we knew that they would be interested in a process which provides 99 90/100 per cent pure crop seed, and because we knew they could do more toward persuading the farmers to plant pure seed than we could."

Indirect Approach to Dealer

This indirect approach is also employed in other phases of the sales plan. For example, seeds are commonly sold through seed dealers and such dealers are the company's immediate prospects, but Warren-teed Seed was not in a hurry to get to dealers.

It is advertising in seven farm papers at present and all ads carry a coupon inviting readers to send for the book already described. The coupon also provides a space for entering the name and address of the inquirer's dealer.

These inquiries are preserved and classified. When a Warren-teed Seed salesman approaches a dealer he is armed with such material as this. The dealer's probable reaction at first is: "There are many brands of seeds. Yours is a new one and I don't know that the farmers around here are in-

terested in it. If I have any calls for your brand, I'll let you know."

Then the salesman asks Mr. Dealer whether he knows so-and-so, the most prominent farmer in the community. He does and the salesman tells him that this prominent farmer has already inquired about Warren-teed Seed, has the story of the Warren process, and is sure to be interested. The same is true of numerous other farmers in the community, whom he names. Then there is the banker, the professor in the nearby agricultural college, the county farm agent, and others, all of whom have written the company to express their appreciation of what it is doing to insure the planting of pure seeds. These are all influential people whose opinions have considerable weight with the farmers and consequently even with Mr. Dealer. The result is that Warren-teed Seed usually is able to line up the best dealer in each community.

Unusual Dealer Helps

The dealer helps employ suggestion and indirect-selling also. One of the most interesting of these is a small rack of glass tubes stationed on a table. It is something that arouses curiosity and will attract the close attention of almost everyone who sees it.

There are nine tubes, the first of which is filled with uncleaned seeds. The second contains the pure seed after being treated by the Warren process and is only about three-fourths full, because all the weed seeds have been taken out. The others contain different kinds of weed seeds separated from the farm seed in the first tube. All tubes are labeled.

This is an excellent plan of visual selling and is educational as well. The farmer who strolls up to examine it probably never heard of dock weed or lamb's quarters, or, if he has, it is extremely unlikely that he knows the seeds of such weeds when he sees them. Then too, the fact that this new process not only separates the weed seeds from the farm seeds, but also is able to separate all these different kinds of weed seeds one from another is a convincing point.

A large, colorful wall hanger, depicting two farmers, one of whom sowed pure seed, the other ordinary seed, is another dealer help that at-

tracts interested attention. This is thought to be the first example of reproducing crayon drawings in color.

A series of actual photographs of farm scenes is being enlarged and the enlargements framed for window display purposes.

Another educational feature which has considerable indirect sales value is a "Name the Weeds" contest which the company is promoting among high school students.

A booklet outlining the plan and rules of the contest is sent to high school teachers and they are invited to introduce it to their students. As many of the booklets as may be required are furnished teachers who wish to promote such a contest, one for each entrant.

Those qualified for college matriculation in the fall of 1930 or winter of 1930-'31 are eligible to enter the contest. The task is to name the 99 varieties of weed seeds pictured in the booklet and to write an essay of 500 to 600 words on "The Best Way to Fight the Evil of Weeds." As it is hardly to be expected that any student will be successful in naming all the seeds, the most nearly complete and correct list will be adjudged best and its author the winner. The prize is a two-year, full scholarship at the agricultural college of the state university.

The contest is being introduced only in Illinois at present, but it is expected it will be extended to other states later.

Creates Interest in Weeds

The contest necessarily arouses great interest in the subject of weeds, the students show the booklet to their parents and tell them about the contest, and the likely result is that the fathers also become interested in weeds and how to prevent them.

Publication of a paper calculated to interest farmers has been started, but has not as yet been scheduled for regular issue.

The company's plant, which covers nearly nine acres on West Eighteenth Street, Chicago, has been named "Seedtown" and this name is being popularized among farmers and in seed circles. The company paper is known as "Seedtown News."

A trip through the plant is highly enlightening and convincing and worthy skeptics are frequently brought in to be "shown." Other interested persons are also invited and it is expected that in time "Seedtown" will become a place of interest to farmers comparable with the stock yards.

The Warren-teed Seed Company came into being early in 1929 as a

result of the merger of the Warren process with the John L. Kellogg Seed Company. The Warren process is patented in this and eight other countries.

The process is essentially a cleaning one. The company buys seeds from dealers in the usual way, puts them through its cleaning process, then resells them to dealers, warranting them to be 99 90/100 per cent pure live crop seed of the kind indicated on the label. It does not clean seed for others on a fee or percentage basis. The seeds sold to a given dealer are not necessarily the same ones bought of him, although the seed are sold in the same territory where they were grown.

Every bag of Gold Seal Warrenteed Seeds bears a label and the purity warranty and is sealed with a golden disc which also bears the company's name and warranty. The seal insures the buyer that he is getting the genuine product. Then when he breaks the seal and the metal disc drops off it is very likely that he will pick it up, put it in his pocket as a luck piece, or take it to "Junior" to play with; another very good plan of indirect selling.

The company has already begun operations in several middle western states and has plans for expanding rapidly.

It is to be expected that it will also engage in cleaning beans, peas and similar products to be sold as food.

Builds \$750,000 Sales Volume by Mail

(Continued from page 12)

average order amounting to \$7.00, it costs the Bonded Tobacco Products Company about a dollar to secure an order. When the mailings were first made the average return on the mailings was two and one-half cents, which now has been reduced to one cent and a half, due no doubt to an overlapping of the lists. There is a slight retail distribution of Bonded products. These are high-class retailers such as Charles & Company, Park & Tilford and many clubs.

This fall, beginning November 1, a special mailing was made to retailers, in an attempt to see whether the retailing of de-nicotined cigarettes would prove productive. Heretofore, retail distribution has not interested the Bonded Tobacco Company, particularly because of the difficulty of building up an adequate sales force.

Evans-Winter-Hebb, Inc., Detroit, direct advertising agency, has moved its Chicago office to 919 North Michigan Avenue.

Announcing **N·W·AYER & SON'S**

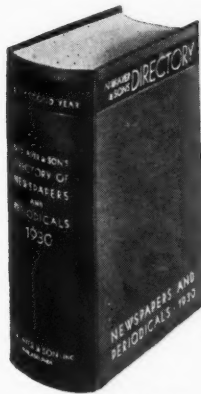
DIRECTORY

OF NEWSPAPERS
AND PERIODICALS

Formerly American Newspaper Annual and Directory

1930 EDITION

READY FOR DELIVERY JANUARY 1st



Regular Edition \$15
Postpaid
Cloth Binding
Size 6 3/4" x 9 3/4" x 3 3/8"
Weight, 7 pounds



Thin Paper Edition \$20
Postpaid
Imitation Leather
Size 6 3/4" x 9" x 1 7/8"
Weight, 3 1/2 pounds

THIS useful book, now in its sixty-second year, appears under a revised name, more clearly defining its contents; and in a binding modern in design and attractive in color. • Lists publications printed in the United States and its Territories, the Dominion of Canada, Bermuda, Cuba and the West Indies; including 100 newest type maps; also world map; and latest airway and airport map. Contains descriptions of the publications; the states, cities and towns in which they are published. In addition there are over 300 classified lists. • Each year we receive many unsolicited letters from leading business houses, publishers, librarians, and others, testifying to the value of the information which this book contains. It is the key to the increasingly important publishing industry. • Order now to insure prompt delivery. • Mid-year Supplement issued in July will be sent to purchasers of the book without additional charge. It is not sold separately. • Further particulars on request of the publishers.

N·W·AYER & SON·INCORPORATED

**ADVERTISING
PHILADELPHIA**



5 KEY Markets In Texas

Dallas San Antonio
Fort Worth Houston
Beaumont

A Department of Commerce survey of Beaumont Trade Territory conclusively proves it to be the Fifth Market in Texas and the Third Market for Louisiana.

No campaign will be complete without the

BEAUMONT ENTERPRISE AND THE BEAUMONT JOURNAL

Home delivered throughout Southeast Texas and Southwest Louisiana

"Ask BECKWITH, He Knows"



Fletcher Anticipates Your Man Problems

Almost every day some employer comes to us with a personnel problem which we are able to solve to his satisfaction, quickly and at a slight expense. To the employers it seems that we do this easily. Sometimes the problems are difficult.

The reason why we can produce results quickly for many clients lies in the fact that we anticipate their need. For ten and one-half years we have been locating and investigating capable men for responsible positions. We have over 14,000 thoroughly investigated records on file. Our indexing system helps us to produce the right man quickly.

If you have a personnel problem, why not tell us about it and find out if we can help you. Perhaps our booklet, "To Him That Hath—", which explains the work of our Service Department for men desiring positions, will help you to understand something of how we anticipate your needs. It is free to employers who write us on their own letterheads.

WILLIAM L. FLETCHER, INC.

Personnel Managers and Counselors
8 Newbury Street, Suite 975
BOSTON, MASSACHUSETTS

Why 1910 Sales Policies Won't Sell 1930 Lines

(Continued from page 22)

supply the entire country. We bought about twice the quantity we had ever handled before, and I must say that I was somewhat perturbed until the orders began to come in.

Eight weeks before the buying season was over it was evident we did not have enough stock to supply the demand and our buyers began searching the markets for duplicate items. Our toy business has been amazing. If we had not increased the volume of any other department, our toy business would have given us a splendid increase over last year's total volume. And the experience well illustrates, I am sure, how the wholesaler can justify the service he renders and makes his business a necessary part of our national distribution in many lines.

Contrary to Tradition

It is significant that this toy campaign was contrary to the old established traditions of the hardware business. Heretofore we have thought that guns, ammunition, stoves and other so-called seasonal items were the goods to push during the fall. But we figured that along about November 15 practically everybody begins to think about buying for Christmas. So we concluded that the best merchandising practice was to push goods between November 15 and Christmas that offered no sales resistance. Therefore, in planning our fall campaigns we took full advantage of the public's trend of thought. This sort of thing is not usual in the wholesale business, I understand; but it means that the wholesaler, if he is to preserve and develop his business, must get out of his shell and do what the advertising specialists have been doing for many years—study the consumer.

When we put the consumer under our merchandising spectacles, we found that the big price factor we hear so much talk about fades in importance. Unfortunately, ever since the recent development of chain and mail order stores began a great many wholesale hardware houses have been educating the retailer to buy on price. There has been entirely too much emphasis on buying, and too much concern over competition. Dealers have been misled into believing that their problems can be solved by low prices.

All of this has had a tendency to

magnify the dealer's problem of buying. In reality, the dealer has no buying problem when his goods are merchandised properly. No wholesaler today is fool enough to charge excessive prices for anything. For he can get the extra profit for a short time only, and every time he gets it he is likely to lose a customer. The wholesaler is not in the business of getting individual orders. Our principal effort is the creating of business for and with the cooperation of our retail customers.

Practically all of the 22,000 retail hardware dealers whom we serve are making money. In our economic territories, I doubt that it will be possible for us to secure more than a few thousand additional accounts. We have almost reached the maximum number of retailers, and this means that our future growth will depend almost entirely on the development of the accounts we are already selling.

More than Buying and Selling

The retailer cannot survive if he buys little dabs of stuff here and places small orders there, in hope of securing prices that will enable him to compete with the price-cutters. When he does succeed in meeting the mass distributor's prices, he is meeting only one of five or six competitive factors and probably the least important of all.

My company's interests are identical with those of the retailer, and we are no longer in the business of buying and selling merchandise in the hardware field. Primarily, we are selling good retail store management, scientific stock arrangement, attractive appearance of retail stores, adequate selling service, and advertising and merchandising of hardware. For this selling effort we are paid nothing; but because we are showing most of them how to make more money, our 22,000 dealers are increasing their purchases to a point that is highly satisfactory.

Barrows Leaves Agency Field

Barrows, Richardson, Alley & Richards Company, New York advertising agency, has changed its name to Richardson, Alley & Richards Company, due to the retirement of Robert L. Barrows, a partner in the firm for nearly thirteen years. Partners in the agency now are W. M. Richardson, Ernest V. Alley, Milton Towne, Courtland N. Smith and H. L. Whittemore.

"Altitude" for the Airplane Sales Curve

(Continued from page 29)

several sales of high-priced planes this year to customers thoroughly serviced after they bought small planes from me last year or the year before. One buyer who paid \$2,700 for his first plane bought his fourth recently for \$12,500.

Four types of prospects are available to the airplane dealer: the amateur; the amateur war aviator; commercial organizations or pilots directly a part of the aviation industry, such as flying services, flying schools, taxi lines, mail contractors, transport companies and airplane material manufacturers; and, finally, the commercial user, not connected with the industry, who uses the plane for sales trips, advertising, etc.

Selling the First Plane

In selling the sport amateur who wants to take up flying the first sales difficulty is to convince him to buy his own plane to learn on and thereby save money. Using his own plane, he is able to save money on flying and at slight extra cost have his own plane. Unless the dealer is able to convince the amateur to buy his own plane, he must know a good school using the type of plane he sells, otherwise, almost invariably, the amateur gets out of his hands.

Unusual confidence is peculiar to the selling of airplanes. For instance, an amateur comes out to the flying field and starts talking airplanes with the dealer, who must be on the watch for this type, especially Sundays, Saturdays and holidays. The first step is to size up the prospect to see whether he can afford a plane.

This is important, because the dealer's salesman in his anxiety to get into action may spend a lot of time and money taking up an idle inquirer who saved paying ten dollars for his ride in the air.

Once determined as to ability to pay for a plane, the dealer should take the prospect for a ride, although for the first trip the selling should be on the thrill of flying and not on the sales points of the plane. In the first flight the dealer does much to make the prospect an eventual enthusiast. The first flight must be calculated to impress the prospect with the feeling that flying is without danger and is a real pleasure. Often after a first flight the amateur is so thrilled he can be signed up right away.

If the prospect does not sign up for a plane, it may be because he feels he can never learn to fly. This sales hurdle often can be overcome by the dealer taking the prospect up in a dual-control plane and giving him a lesson or two. During the manoeuvres the dealer or instructor lets the prospect unknowingly guide the plane himself. When the dealer tells him he handled part of the flight the prospect will often be convinced that, with more coaching, he could become a competent flyer.

Another method of handling this natural reticence on the part of the prospect is to ask a recent beginner to take him up. For instance, a member of the New York Stock Exchange, after a demonstration flight I had given him, was quite naturally hesitant about his own capabilities of becoming a competent flyer. When I told him it was easy he countered by asking how long I had flown, and to my answer of "Ten years," smiled. In order to show him that anyone not in the business of flying could learn easily I asked Fairfax Ayers, a fellow broker and general manager of Blair and Company, who had bought a plane from me, to take him up. After seeing how well Mr. Ayers handled his plane, the prospect was convinced and bought one.

Delivering the Plane

When the plane is ready for delivery and the buyer has finished his flying lessons, it is an excellent sales point, if he can spare the time, to have the buyer go to the factory and bring the plane on himself, aided by a competent cross-country pilot. Flying a Stearman plane from the factory in Wichita, Kansas, provides not only a delightful trip but also the experience of a cross-country flight, with danger eliminated by a competent pilot, increases the buyer's confidence in himself and the performance of the plane.

If possible, when the amateur is in possession of his plane, he should be persuaded to garage and service his plane at the dealer's hangars. I maintain two hangars expressly for this purpose. They pay little profit and a part of one hangar would be sufficient for my selling needs, but I have found that maintaining contact with the enthusiasts is one of the surest ways to future sales. The more

the dealer does for the buyer after his flying is under way the more he binds the buyer to him and develops, through the buyer, prospects from his friends.

Selling commercial organizations is a group deal usually with three or four executives, while the initiation toward the sale was with one. Often it is possible to interest a company by showing how it can use a plane. For instance, the chief engineer of the Pilot Radio Company, makers of knockdown radio sets, was discussing with me the possibilities of radio sets for airplanes. I urged the use of a plane in such development work and suggested that his company's executives be given a demonstration. This was done with the entire group and followed by individual sales work and demonstration on each one.

Best Source of Prospects

That the best source of dealer's prospects is the recommendation of satisfied customers is proved by one contact I sold in the stock brokerage business, to whose friends in Wall Street I have since sold from one to four planes each.

Another source of prospects is the follow-up of flying students by making friends with them and taking an interest in their development, so that when they are ready to purchase a plane, confidence has already been gained.

Advertising in aviation business and technical publications is also an effective means of getting prospects. It is surprising how many people, as they become air-minded, read aviation publications from cover to cover.

The Aeronautical Chamber of Commerce supplies a list of prospects for a mail campaign in issuing the names of student licenses, some financially able to buy planes.

The plane owners around the dealer's and neighboring fields also represent prospects. At present I am experimenting with a mail campaign on a list of high-priced car owners as potential aviation enthusiasts. Good work has been done on a list of war flyers from American Legion and Army and Navy headquarters.

Getting dealers is easy enough for the distributor because of the recent interest in aviation, but there are few good dealers. The ideal dealer is a competent pilot with a local reputation, who can get the backing of a good business man and build a hangar at the local airport. The size of the dealer's territory depends in part on the number of planes in his initial order and the quantity he signs up for the year period.

Grocery Manufacturers Act to Eliminate Waste of Unemployment

(Continued from page 21)

dustory. Its purpose is, first, to see that every capable man who finds himself out of a job is furnished with an opportunity to make a suitable connection. From the progress already made we are sure that the savings to the industry will be enormous in a financial sense and that there will also be a betterment of morale generally due to the elimination of uncertainties regarding employment.

"The industry has greeted the announcement of this new service with enthusiasm. A number of manufacturers in need of salesmen and executives have already applied to the bureau and in every case qualified men have been furnished."

Salesmen and executives will write or wire the bureau if they are seeking connections and cannot call personally at the bureau's New York offices. If no manufacturer is on record as needing an applicant's particular qualifications, special bulletins are prepared and sent regularly to manufacturers in which these qualifications can be set forth.

Many Already Placed

During the experimental work in progress for some time, a number of men have been placed with surprising promptness. Bulletin No. 1, dated November 27, 1929, is headed, "For Jacksonville, Florida, territory," and outlines the record of a man of unusual experience and ability who "for the past twenty years has been connected with one of the largest food manufacturers in various sales capacities."

Following paragraphs, in a general way, relate the details of this man's experience without the mention of names; the fact that he has established his family at Jacksonville, owns his own home there and so on. It also explains that the sole reason for this applicant being in the market for a new connection is because his company had recently been merged.

"This man was placed," Mr. Miller said, "within a few days after the bulletin was mailed and several other manufacturers wanted him. His new connection gives him the opportunity he was looking for and I am sure he will be a valuable asset to the company that employed him. In another case an excellent man wrote us that he would be at liberty within a month. From our files we learned

that several manufacturers could use his services and the result was that this man did not lose a single day.

"Also, in response to wires and letters, we have already placed men in Boston, Omaha and several other widely separated cities throughout the country. This service is not confined to New York and vicinity, but is nation-wide in scope.

"An important benefit of this personnel work is that the operation of the bureau makes it possible for a man to continue in the territory in which he has been working and in which he is favorably known. It is obvious that, after a man has been working a territory for several years, his acquaintance with the trade and knowledge of territorial conditions constitute a valuable asset to an employer.

To Keep Men in Field

"Any number of cases have been drawn to our attention where men, usually in remote territories, have spent weeks and in some cases months in trying to make another connection in the grocery field after their services with some one manufacturer have been terminated. In many cases these attempts were unsuccessful, as it frequently happens that a man would not even know to what individual he could address an application. In other words, the necessary point of contact was lacking and, without it, not very much progress can be made.

"Good salesmen are always versatile and when these men get discouraged regarding the employment situation in their own industry it is only natural for them to turn to some outside industry. Therefore, I am sure that it would pay every industry to give the matter of personnel more attention and this is particularly necessary in highly competitive fields where a trained man, with a real business experience, is so valuable.

"Of course we secure the business history of every man registered with the bureau, the details of which are checked in every instance. This checking we can do in an unusually complete way through the connections of AGMA with hundreds of grocery manufacturers and other factors in the industry from coast to coast.

"As a sales manager for one large manufacturer remarked the other day, this service will eliminate many of the

uncertainties and trouble and wasted time in the hiring of salesmen. The manufacturers of the grocery industry now have a bureau which will procure for them the services of honest, reliable and energetic men, with whatever degree of training and experience is necessary to meet their requirements."

Kenneth Goode Condemns Wasteful Business Practices

"How to Turn People Into Gold," by Kenneth M. Goode (Harper & Bros.), is an intriguing title. Mr. Goode has succeeded in writing a book that is just as interesting as the title indicates—as absorbing as an unusual bit of fiction. There is nothing in the volume, however, that smacks of the imagination. It is a book on business for business men.

There is nothing of the "velvet glove" in Mr. Goode's condemnation of faulty practices that have resulted in an annual waste in the conduct of American business of an estimated eight or ten billion dollars. His criticisms are not destructive, because his suggestions bear the stamp of sound reasoning, although often rather startling.

Distribution is the greatest problem in business at the present time, points out Mr. Goode, and much of the "profitless prosperity" one hears so much about is the result of wrong thinking. Too often, he emphasizes, the cart is put before the horse in that makers and distributors fail to realize that the consumer controls the situation.

"Until American business is willing to recognize the power of certain economic principles, controlling our present distribution situation, the unsatisfactory position in which it finds itself must continue," says the foreword, and the author certainly minces no words in making clear what this unsatisfactory condition is and how it may be remedied.

"The consumer is taking command," continues the foreword. "Instead of being the more or less helpless victim of the skill of the producer in making him want what the producer has to sell, the consumer is originating ideas as to possible goods and services, and is constantly making new and subtle demands on the producer."

The author develops the theme that each business has a natural market. Each product made has a natural outlet and no amount of forcing can expand that market profitably beyond the point where cost balances income. The law of averages is the hidden force. The thought is advanced that the business man who starts his thinking with the customer and works back automatically eliminates many faults because they become so obvious they cannot be ignored.

Clarke Agency Formed

E. A. Clarke Company, an advertising agency, has been established at 1001 Chestnut Street, Philadelphia, to take over the business of the Philadelphia branch of the Acorn Agency, Inc. Mr. Clark has been vice-president of Acorn and manager of the Philadelphia district for seven years.

Hudson Leaves Government

R. M. Hudson, assistant director of the Bureau of Standards, Washington, has resigned to join the New England Council, Boston.

Four Ways to Plug the Leaks in Profits

(Continued from page 20)

consciousness that they are doing a truly "national business."

After investigation one "national business" found that almost half of the geographical area of the United States accounted for less than 10 per cent of its sales volume. Further study showed that in almost half of the country's area it was unprofitable to ship because of the high cost of freight. Due to a peculiarity of the product it was found that it was most expensive to ship to the territory which gave the least business. So naturally the company threw about half of its territories overboard and sold more economically thereafter.

Keep Your Selling Policies Flexible.

It is strange but true that to many minds there is something fixed and irrevocable implied in the word "policy." I have seen many concerns persist in antiquated and highly expensive practices for no better reason than that "it is a house policy."

"Policy" May Be Dangerous

In these days when in nearly any industry certain progressive concerns are trying out new and radical methods and when practically all business is changing almost daily, such adherence to policy can be most dangerous. It is far better to be an out-and-out opportunist; not perhaps changing policies with every zephyr that stirs the straw weathervane, but at least making sure that policies are not so fixed as to be unmoved by any wind less than a gale.

It would be possible to cite any number of cases where concerns have experienced losses due to adhering too long to some old policy of the house. I shall, rather, cite a case of one which frequently but always wisely has changed its policies both in manufacturing and selling with notably good results, profit-wise.

This manufacturer had for years marketed his product through the established channel of the wholesale grocer, allowing the wholesaler a gross profit margin of about 20 per cent. Then there came a time a few years back when the types of commodities they sold would no longer stand so high a distribution cost. It was then that multitudes of wholesalers in the grocery field were going out of business and when for a while it seemed as though the wholesaler would cease to be a factor in that branch of distribution.

At that time investigation convinced this manufacturer that by eliminating

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EFFECTIVE window displays are a matter of good designing. The public must see those things which you want it to see.

In our insert in next week's issue of this magazine, showing a window display recently executed for Drucker's Revelation Tooth Powder, notice how the eye, no matter how you may try to prevent it, cannot avoid traveling down to the product.

It is quite likely that we can develop a similar good idea for you—a strong, forceful display that commands attention and that delivers a positive message. Our representative can be in your office tomorrow morning if necessary.

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YOU may be conservative. However, I may be just the man you have been looking for. LET'S GET ACQUAINTED.

Write P. B. WALDIN, 1326 Waldron Avenue, St. Louis, Missouri.

the wholesaler and selling direct to the retailer he could cut his distribution cost to 17 per cent. Without hesitation, but with wholly satisfactory results, he changed his policy accordingly.

Faced with practical annihilation, wholesalers soon studied their affairs scientifically and worked out improved methods whereby they could do business at a profit on a gross margin of 12½ per cent. The manufacturer was unable to reduce his distribution cost to that point, so he again switched policies and went back to the wholesalers.

In many other respects this manufacturer has executed direct right-about without regard to traditions or existing policies when he saw the chance to profit by the change. As a result, his is probably the most profitable concern in that particular branch of the business.

Studebaker Heads Write "Marketing Used Cars"

Paul G. Hoffman, vice-president, and Dr. James H. Greene, head of the cooperative department of the Studebaker Corporation, South Bend, Indiana, have just written a book for dealers on "Marketing Used Cars."

Mr. Hoffman, in charge of Studebaker sales, has had wide experience as an automobile distributor, retailer and salesman. Dr. Greene is a former director of the Bureau of Retail Training of the University of Pittsburgh.

The book (\$3) is published by Harper & Brothers, New York.

Grand Union Acquires Glenwood Stores

The Grand Union Company, tea and coffee importers and one of the largest grocery chain store organizations, has acquired the Glenwood Food Shops, a group of thirty-six grocery stores and eleven meat markets operating in Albany, Troy and other cities in northern New York state.

Total sales of the Grand Union Company for the fifty weeks ending December 14 were \$35,383,984, compared with \$30,645,000 in the corresponding period of 1928. Sales of the Glenwood Shops last year totaled \$1,444,800.

Heads Collier Promotion

Charles E. Townsend, editor, *The Car Card*, has been appointed sales promotion manager of Barron G. Collier, Inc., New York.

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